

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Specialised plant and machinery	5 to 15 years
Furniture and fittings	7 to 10 years
Other vehicles	3 to 20 years
Office equipment	5 to 10 years
Other items of plant and equipment	3 to 15 years
Roads and paving	10 to 30 years
Electricity	20 to 30 years
Wastewater network	15 to 20 years
Water network	15 to 20 years

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.3 Property, plant and equipment (continued)

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.4 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated
- Held-to-maturity investment
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit exclude dividends and interest.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.4 Financial instruments (continued)

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefit to the municipality.

1.6 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality. The value of the Faan Meintjes Reserve stock is based on 100% of the current realisable value as at 30 June annually. Land development for re-sale within one year is classified as an inventory item. The value of the stands are calculated at: Councils resolution Rand per square metre or Municipal valuation.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.6 Inventories (continued)

the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Medical aid : Continued members

The municipality provides post-retirement health care benefits to retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

1.8 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.8 Provisions and contingencies (continued)

Leave and bonus accruals :

- liabilities for annual leave and bonus are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end for the leave accrual and bonus accrual based on the initial inception of service month.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding agreement.

Landfill rehabilitation provision :

- the landfill rehabilitation provision is created for the rehabilitation of the current operational sites at the future estimated time of disclosure. The value of the provision is based on the expected cost to rehabilitate the sites provided by an expert.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.9 Revenue from exchange transactions (continued)

recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.10 Revenue from non-exchange transactions (continued)

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.11 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.12 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.13 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.15 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) and includes ::

- overspending of the total amount appropriated in the municipality's approved budget
- overspending of the total amount appropriated for a vote in the approved budget
- expenditure from a vote unrelated to the department or functional area covered by the vote
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation
- a grant by the municipality otherwise than in accordance with this Act

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure means -

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of the Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1988 (Act no 20 of 1998);
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law,

but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.17 Irregular expenditure (continued)

the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.19 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.20 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.21 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.22 Gratuities

The municipality provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the statement of financial performance when the gratuity is paid.

1.23 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Investments in derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in accumulated surpluses/(deficits). Amounts deferred in net assets are recognised in the statement of financial performance in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/(deficit).

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of financial performance as they arise.

1.24 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.24 Conditional grants and receipts (continued)

the criteria, conditions or obligations have not been met a liability is recognised.

1.25 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.26 Retirement benefits

Councillors and employees as well as Council contribute to the following pension and provident funds, which provide retirement benefits to such Councillors and employees:

- Municipal Employees Gratuity Fund
- Pension Fund for Municipal Councillors
- National Fund for Municipal Workers
- SALA Pension Fund
- SAMWU Provident Fund
- Municipal Employees Pension Fund

Actuarial valuations are done as follows:

- Municipal Employees Gratuity Fund - actuarial valuation is done every 2 years
- Pension Fund for Municipal Councillors - actuarial valuation is done every 3 years
- National Fund for Municipal Workers - not required to do actuarial valuation
- SALA Pension Fund - actuarial valuation is done every 3 years
- SAMWU Provident Fund - not required to do actuarial valuation
- Municipal Employees Pension Fund - actuarial valuation is done every 2 years

Council does not operate or are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

1.27 Going concern

These annual financial statements have been prepared on a going concern basis.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

2010

2009

2. Investment property

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	5 403 557	-	5 403 557	5 403 557	-	5 403 557

Reconciliation of investment property - 2010

	Opening balance	Total
Investment property	5 403 557	5 403 557

Reconciliation of investment property - 2009

	Opening balance	Total
Investment property	5 403 557	5 403 557

3. Property, plant and equipment

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	247 623 623	(36 026 433)	211 597 190	167 198 185	(32 036 945)	135 161 240
Infrastructure	2 678 065 374	(532 463 682)	2 145 601 692	2 556 757 947	(402 568 730)	2 154 189 217
Community	84 691 240	(28 804 295)	55 886 945	79 081 188	(26 182 030)	52 899 158
Other property, plant and equipment	542 559 332	(448 026 420)	94 532 912	240 540 968	(167 547 479)	72 993 489
Heritage assets	1 585 656	(99 845)	1 485 811	1 570 536	(84 725)	1 485 811
Total	3 554 525 225	(1 045 420 675)	2 509 104 550	3 045 148 824	(628 419 909)	2 416 728 915

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Work in progress	Revaluations	Depreciation	Total
Buildings	135 161 240	13 487 978	5 021 636	61 916 473	(3 990 137)	211 597 190
Infrastructure	2 154 189 217	62 442 234	58 865 193	-	(129 894 952)	2 145 601 692
Community	52 899 158	2 033 477	3 576 576	-	(2 622 266)	55 886 945
Other property, plant and equipment	72 993 489	37 080 143	917 660	-	(16 458 380)	94 532 912
Heritage assets	1 485 811	-	-	-	-	1 485 811
	2 416 728 915	115 043 832	68 381 065	61 916 473	(152 965 735)	2 509 104 550

Reconciliation of property, plant and equipment - 2009

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Buildings	119 605 294	18 960 097	-	-	(3 404 151)	135 161 240
Infrastructure	534 326 699	120 808 677	(2 302 422)	1 540 895 436	(39 539 173)	2 154 189 217
Community	49 355 624	5 979 826	-	-	(2 436 292)	52 899 158
Other property, plant and equipment	47 724 061	42 605 054	79 826	-	(17 415 452)	72 993 489
Heritage	1 485 811	-	-	-	-	1 485 811
	752 497 489	188 353 654	(2 222 596)	1 540 895 436	(62 795 068)	2 416 728 915

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
4. Other financial assets		
Held to maturity		
Call investment deposits	73 181 026	82 382 668
Fixed deposits	17 417 304	8 585 316
	90 598 330	90 967 984
Non-current assets		
Held to maturity	17 417 304	8 585 316
Current assets		
Held to maturity	73 181 026	82 382 668
	90 598 330	90 967 984
Allocation of non-current portion external investments: In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:		
Redemption of long-term liability (maturing June 2019)	7 751 917	7 751 917
Accumulated surplus/(deficit)	9 665 387	833 399
	17 417 304	8 585 316
Allocation of current portion external investments: In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:		
Unspent conditional grants and receipts	-	40 444 110
Housing Development Fund	5 125 928	5 125 928
Accumulated surplus/(deficit)	-	36 812 630
	5 125 928	82 382 668
5. Other receivables		
Non-current portion		
Bursary loans	-	118 327
Sport bodies	293 462	293 868
Sale of housing stands	-	1 694 939
Housing houses	-	9 951 623
Current portion		
Bursary loans	-	215 890
Abattoir	-	7 280 000
Sport bodies	-	18 529
High tension connections	-	3 398
	293 462	19 576 574

Sport bodies:

Different loan schemes are in place for various sporting bodies. The interest rate fluctuate between 5% to 15% repayable over a period from 5 years to 20 years. The MFMA also stopped this practice.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
6. Inventories		
Consumable stores - at cost	25 135 024	30 741 006
Water - at last buying cost	2 554 669	2 166 544
Nature reserve - wildlife stock	3 329 214	3 626 113
Museum stores - at authorised value	102 036	161 091
Unsold properties held for resale at council resolution or municipal valuation	647 771	424 971
	31 768 714	37 119 725
Carrying value of inventories carried at fair value less costs to sell	647 771	424 971
7. Trade and other receivables		
Deposit - Petrol Twaranang	500	500
Deposit - Eskom	319 953	319 953
Insurance debtor	4 446 043	2 682 221
Housing debtors	(1 212 195)	3 255 715
Prepaid expenses	125 265	125 265
Fruitless and wasteful expenditure	161 958	161 958
Unauthorised expenditure	34 995	34 995
Receivables	6 293 242	7 430 045
Market	2 776 041	2 421 406
Housing (internal loan)	11 000 000	11 000 000
Housing rentals	17 917 800	17 917 800
Sundry debtors	102 878 854	92 523 219
Suspense accounts	3 800 863	4 354 100
Less: Provision for bad debt	(89 582 181)	(84 684 421)
	58 961 138	57 542 756

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
8. Consumer debtors		
Gross balances		
Rates	175 375 500	118 607 875
Electricity	73 687 525	47 433 490
Water	157 030 835	125 993 612
Sewerage	67 207 029	58 395 310
Refuse	66 531 306	57 224 186
Other debtors	262 246 547	217 890 579
	802 078 742	625 545 052
Less: Provision for debt impairment		
Rates	(135 065 096)	(93 902 878)
Electricity	(43 348 736)	(25 852 741)
Water	(126 682 958)	(101 605 773)
Sewerage	(54 849 475)	(47 844 737)
Refuse	(55 465 948)	(47 769 957)
Other debtors	(220 179 589)	(183 372 294)
	(635 591 802)	(500 348 380)
Net balance		
Rates	40 310 404	24 704 997
Electricity	30 338 789	21 580 749
Water	30 347 877	24 387 839
Sewerage	12 357 554	10 550 573
Refuse	11 065 358	9 454 229
Other debtors	42 066 958	34 518 285
	166 486 940	125 196 672
Rates		
Current (0 -30 days)	15 100 503	8 951 462
31 - 60 days	7 542 659	4 090 498
61 - 90 days	5 985 018	2 766 115
90+ days	146 747 318	102 799 800
Provision for bad debt	(135 065 094)	(93 902 878)
	40 310 404	24 704 997
Electricity		
Current (0 -30 days)	19 692 256	14 604 742
31 - 60 days	4 405 926	3 297 311
61 - 90 days	3 204 176	1 813 881
90+ days	46 385 165	27 717 556
Provision for bad debt	(43 348 734)	(25 852 741)
	30 338 789	21 580 749
Water		
Current (0 -30 days)	9 161 698	7 569 327
31 - 60 days	5 314 452	3 909 485
61 - 90 days	4 040 641	3 643 868
90+ days	138 514 042	110 870 932
Provision for bad debt	(126 682 956)	(101 605 773)
	30 347 877	24 387 839
Sewerage		
Current (0 -30 days)	3 942 531	3 439 152
31 - 60 days	1 729 094	1 328 094

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
8. Consumer debtors (continued)		
61 - 90 days	1 330 969	1 051 303
90+ days	60 204 434	52 576 761
Provision for bad debt	(54 849 474)	(47 844 737)
	12 357 554	10 550 573
Refuse		
Current (0 -30 days)	2 961 668	2 551 956
31 - 60 days	1 457 996	1 157 443
61 - 90 days	1 086 322	983 376
90+ days	61 025 319	52 531 411
Provision for bad debt	(55 465 947)	(47 769 957)
	11 065 358	9 454 229
Other debtors		
Current (0 -30 days)	9 255 818	7 463 030
31 - 60 days	6 057 582	4 748 575
61 - 90 days	5 150 613	4 346 954
90+ days	241 782 532	201 332 020
Provision for bad debt	(220 179 587)	(183 372 294)
	42 066 958	34 518 285

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
8. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers and other		
Current (0 -30 days)	50 908 487	39 218 185
31 - 60 days	23 348 802	17 447 759
61 - 90 days	18 465 527	14 026 024
90+ days	637 205 687	494 989 884
	729 928 503	565 681 852
Industrial/ commercial		
Current (0 -30 days)	7 334 075	6 103 958
31 - 60 days	2 545 217	2 630 965
61 - 90 days	1 891 221	1 947 929
90+ days	52 919 339	44 669 687
	64 689 852	55 352 539
National and provincial government		
Current (0 -30 days)	1 871 912	1 173 405
31 - 60 days	613 690	370 713
61 - 90 days	440 991	229 681
90+ days	4 533 784	2 736 862
	7 460 377	4 510 661
Total		
Current (0 -30 days)	60 114 484	46 495 548
31 - 60 days	26 507 709	20 449 437
61 - 90 days	20 797 739	16 203 634
91 - 120 days	694 658 810	542 396 433
	802 078 742	625 545 052
Less: Provision for debt impairment	(635 591 802)	(500 348 380)
	166 486 940	125 196 672
Less: Provision for debt impairment		
90+ days	(635 591 802)	(500 348 380)
Reconciliation of debt impairment provision		
Balance at beginning of the year	(500 348 380)	(476 695 256)
Contributions to provision	(137 199 111)	(40 543 844)
Debt impairment written off against provision	1 955 689	16 890 720
	(635 591 802)	(500 348 380)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	60 500	57 235
Bank balances	2 333 787	2 377 333
Bank overdraft	(31 376 461)	(9 321 738)
	(28 982 174)	(6 887 170)
Current assets	2 394 287	2 434 568
Current liabilities	(31 376 461)	(9 321 738)
	(28 982 174)	(6 887 170)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2010	30 June 2009	30 June 2008	30 June 2010	30 June 2009	30 June 2008
ABSA BANK - cheque account - 4060008684	1 273 492	717 576	7 381 874	391 292	488 509	1 061 564
ABSA BANK - cheque account - 01000100176	(4 673 377)	26 787 113	50 333 230	(29 922 418)	(7 568 490)	(10 639 931)
ABSA BANK - cheque account - 950164379 (Stadsraad water)	2 011 587	1 962 116	1 701 951	1 942 496	1 888 824	1 694 394
ABSA BANK - cheque account - 950000090 (Market)	847 156	1 777 236	74 058	(1 454 043)	(1 750 836)	(800 514)
ABSA BANK - cheque account - 4059133084 (Mayor's golf day)	-	174	2 778	-	(2 413)	(2 413)
Total	(541 142)	31 244 215	59 493 891	(29 042 673)	(6 944 406)	(8 686 900)

10. Housing development fund

Surplus	5 125 928	5 125 928
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The housing development fund is represented by the following assets and liabilities:

Bank and cash	5 125 928	5 125 928
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11. Other financial liabilities

Held at amortised cost

Annuity loans	115 338 113	125 920 477
DKKDM Asset's loans	29 104 470	30 026 198
	144 442 583	155 946 675

Refer to Appendix A for more detail on long-term liabilities.

Non-current liabilities

At amortised cost	132 964 151	145 666 636
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Current liabilities

At amortised cost	11 478 432	10 280 039
	144 442 583	155 946 675

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
12. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Provincial Health Subsidies	(11 123 608)	(5 774 453)
District Municipality Environmental	-	62 541
MIG Grants	30 169 476	25 714 240
Provincial LED Projects	5 183	5 184
Provincial Capital Grants	20 928 938	18 242 938
National Electricity Regulator	3 839 051	345 490
Finance Management Grant	765 356	200 821
Department of Water Affairs	276 464	1 500 000
Provincial Government Grants	2 645 072	2 645 072
Provincial Operational Grants	204 017	63 032
Anglo Gold Ashanti Capital Grants	-	278 935
Development Bank of South Africa	146 216	146 216
EPWP Funding	250 700	-
Municipal System Improvement Grant	690 780	-
	48 797 645	43 430 016

See note 20 for reconciliation of grants from National/Provincial Government.

13. Provisions

Reconciliation of provisions - 2010

	Opening Balance	Additions	Total
Other provisions	12 386 167	6 694 636	19 080 803

Reconciliation of provisions - 2009

	Opening Balance	Expenditure incurred	Total
Staff leave	8 884 528	3 501 639	12 386 167

Redemption of leave during the financial period under review was R 2,929,760 (2009: R 1,863,399).

14. Consumer deposits

Electricity and water	20 653 394	18 982 787
Guarantees held:		
In lieu of electricity and water deposits	1 926 198	1 926 198
In lieu of debtors for the Fresh Produce Market	400 000	400 000
	2 326 198	2 326 198

15. Trade and other payables from exchange transactions

Trade payables	1 213 900	84 934
Payments received in advanced	38 424 351	16 336 352
Other creditors	35 605 538	26 385 833
Suspense accounts	3 532 587	4 284 355
	78 776 376	47 091 474

Included in other creditors is retention money of R 18,765,766 (2009: R 15,012,890).

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
16. VAT payable		
VAT payable	31 045 806	16 443 511
VAT is payable on the cash basis.		
17. Revenue		
Administration fees	(260 406)	1 746 120
Property rates	222 191 171	130 747 800
Service charges	581 385 898	491 499 399
Rental of facilities & equipment	7 025 754	6 002 706
Fines	6 220 373	5 918 332
Licences and permits	4 471 090	4 203 022
Government grants & subsidies	317 994 170	350 110 270
Market dues	10 890 251	10 739 908
	1 149 918 301	1 000 967 557
The amount included in revenue arising from exchanges of goods or services are as follows:		
Administration fees	(260 406)	1 746 120
Service charges	581 385 898	491 499 399
Rental of facilities & equipment	7 025 754	6 002 706
Licences and permits	4 471 090	4 203 022
	592 622 336	503 451 247
The amount included in revenue arising from non-exchange transactions is as follows:		
Property rates	222 191 171	130 747 800
Fines	6 220 373	5 918 332
Government grants & subsidies	317 994 170	350 110 270
Market dues	10 890 251	10 739 908
	557 295 965	497 516 310
18. Property rates		
Rates received		
Residential and commercial	188 141 741	109 770 209
State	14 860 867	3 172 219
Indigent	19 150 462	17 769 755
Sundry debtors	38 101	35 617
	222 191 171	130 747 800
Valuations - R'000		
Residential and commercial	29 399 639	641 763
Agricultural	182 908	56 872
State	481 872	18 790
Municipal and farms	1 262 138	349 748
	31 326 557	1 067 173

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2009. The valuations were done by DDP Valuers on behalf of the Municipality.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
19. Service charges		
Sale of electricity	362 269 211	283 166 644
Sale of water	130 299 556	125 069 043
Sewerage and sanitation charges	25 301 594	21 896 127
Refuse removal	63 515 537	61 367 585
	581 385 898	491 499 399

20. Government grants and subsidies

Equitable share	226 271 000	172 771 264
Cultural events	50 000	-
Anglo Gold Ashanti Capital assets grants	-	278 935
Provincial Operational Grants	309 123	8 233 451
District Municipality Environmental Health	62 541	4 315 789
Development Bank of South Africa	-	146 216
Finance Management Grant	440 076	437 358
MIG Grant	84 698 275	111 355 459
Provincial Health Subsidies	5 349 155	5 774 453
Provincial capital grants	814 000	46 797 345
	317 994 170	350 110 270

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R 162.77 (2009: R 158.49), which is funded from the grant.

Cultural events

Current-year receipts	50 000	-
Conditions met - transferred to revenue	(50 000)	-
	-	-

Conditions still to be met - remain liabilities (see note 12)

Provincial Health Subsidies

Balance unspent at beginning of year	(5 774 453)	-
Conditions met - transferred to revenue	(5 349 155)	(5 774 453)
	(11 123 608)	(5 774 453)

Conditions still to be met - remain liabilities (see note 12)

The Municipality primary renders health services on behalf of the Provincial Government and is refundable.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
20. Government grants and subsidies (continued)		
District Municipality - operational grant		
Balance unspent at beginning of year	62 541	(2 752 968)
Current-year receipts	-	4 315 789
Conditions met - transferred to revenue	(62 541)	(1 500 280)
	-	62 541

Conditions still to be met - remain liabilities (see note 12)

The grant received from the District Municipality to render services on behalf of the District Municipality and is refunded for incurred expenses. The conditions of the grant have been met. No funds have been withheld.

MIG Grant

Balance unspent at beginning of year	25 714 240	35 333 395
Current-year receipts	84 623 537	-
Conditions met - transferred to revenue	(80 168 301)	(9 619 155)
	30 169 476	25 714 240

Conditions still to be met - remain liabilities (see note 12)

This grant was used to construct roads, storm water, streetlights, sewerage and water infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld. Funds include R 23,200,000 (2009: R 10,172,000) received for 2010/2011 financial year for National Budget.

Provincial LED Projects

Balance unspent at beginning of year	5 184	668 010
Conditions met - transferred to revenue	(1)	(662 826)
	5 183	5 184

Conditions still to be met - remain liabilities (see note 12)

The Provincial LED projects grants are used to promote Small, Medium and Micro Enterprises. The grant is spent according to an approved business plan by the Provincial Government. No funds have been withheld.

Provincial Capital Grants

Balance unspent at beginning of year	18 242 938	58 865 407
Current-year receipts	3 500 000	46 797 345
Conditions met - transferred to revenue	(814 000)	(87 419 814)
	20 928 938	18 242 938

Conditions still to be met - remain liabilities (see note 12)

These grants are used for public transport integrated funds received from the Department of Roads and Public Works and the Department of Public Safety for fire services. No funds have been withheld.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
20. Government grants and subsidies (continued)		
National Electricity Regulator		
Balance unspent at beginning of year	345 490	345 490
Current-year receipts	6 800 000	-
Conditions met - transferred to revenue	(3 306 439)	-
	3 839 051	345 490

Conditions still to be met - remain liabilities (see note 12)

This grant is used for electrification for Jouberton Extension 24 RDP houses. The grant is spent accordance with a business plan approved by the N.E.R. No funds have been withheld.

Finance Management Grant

Balance unspent at beginning of year	200 821	726 106
Current-year receipts	750 000	437 358
Conditions met - transferred to revenue	(185 465)	(962 643)
	765 356	200 821

Conditions still to be met - remain liabilities (see note 12)

This grant is used to support the municipality with National Treasury budget and financial reforms. The grant is spent in accordance with the guidelines of the National Treasury. No funds have been withheld.

Department of Water Affairs

Balance unspent at beginning of year	1 500 000	608 600
Current-year receipts	-	891 400
Conditions met - transferred to revenue	(1 223 536)	-
	276 464	1 500 000

Conditions still to be met - remain liabilities (see note 12)

The grant is used to support the Municipality to relief drought. The grant is spent in accordance with the guidelines of the Department of Water Affairs. No funds have been withheld.

Provincial Government Grants

Balance unspent at beginning of year	2 645 072	3 239 569
Conditions met - transferred to revenue	-	(594 497)
	2 645 072	2 645 072

Conditions still to be met - remain liabilities (see note 12)

The grant is used to support the Municipality with the development of the museum. The grant is spent in accordance with the guidelines of the Provincial Government. No funds have been withheld.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
20. Government grants and subsidies (continued)		
Provincial Operational Grants		
Balance unspent at beginning of year	63 032	(8 170 419)
Current-year receipts	450 108	8 233 451
Conditions met - transferred to revenue	(309 123)	-
	204 017	63 032

Conditions still to be met - remain liabilities (see note 12)

The grant received from the Department of Sports, Arts and Culture for improvement of library services. No funds have been withheld.

Development Bank of South Africa

Balance unspent at beginning of year	146 216	-
Current-year receipts	-	146 216
	146 216	146 216

Conditions still to be met - remain liabilities (see note 12)

This grant was used for a feasibility study of an aerodrome.

EPWP Funding

Current-year receipts	250 700	-
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Conditions still to be met - remain liabilities (see note 12)

This is an incentive grant received from the Department of Public Works through its Expanded Public Works Programme initiative.

21. Other revenue

Transfer from reserves and funds	132 336 284	62 543 796
Provincial Government commission on licenses	9 062 014	8 687 663
Job costing	770 858	1 501 718
Sale of stands	-	1 061 785
Commissions on services rendered	342 062	614 180
Seta training	1 581 988	967 916
Legal costs	859 088	920 091
Provincial Government Motors Direct	15 142	5 015
Other non material income	29 231 053	23 253 011
Fees parking	193 597	153 727
Fees ripe and cool	299 821	317 549
Fees burial	850 063	822 687
Connections	959 665	1 147 133
Revaluation of shares	13 530	25 116
	176 515 165	102 021 387

The basis of greater than R 500,000 and disclosure i.t.o. GRAP 1 were used to indicate the breakdown of other income.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
22. General expenses		
Assessment rates & municipal charges	2 397 660	2 351 077
Consumables	2 344 829	2 862 656
Debt collection	7 894 146	8 282 418
Insurance	2 488 453	1 680 325
Consultants	2 028 682	967 341
Hire computer equipment	1 513 521	996 875
Motor vehicle expenses	19 641 750	18 454 614
Postage and courier	2 549 716	2 261 805
Printing and stationery	3 411 499	2 489 799
Security (Guarding of municipal property)	4 247 052	4 242 060
Telephone and fax	4 839 689	3 606 558
Other miscellaneous	229 766 308	187 444 047
Free basic services	68 179 016	59 802 887
Levy skills development	2 139 972	1 886 882
Long-term liability: District Municipality	4 154 335	6 087 177
Mayor's special projects	-	113 056
Meter readings	4 928 242	4 366 238
	362 524 870	307 895 815

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
23. Employee related costs (excluding directors)		
Basic	202 924 729	177 809 368
Travel and motor car allowances	4 661 206	4 771 247
Overtime payments	16 248 906	13 288 805
Housing benefits and allowances	1 663 110	2 109 700
Employee related costs - contributions for pensions, UIF, group insurance and medical aids	65 081 053	49 595 651
	290 579 004	247 574 771
Remuneration of municipal manager		
Annual Remuneration	1 029 338	978 431
Remuneration of chief finance officer		
Annual Remuneration	825 081	778 898
Director municipal & social services: Section 57 appointment		
Annual Remuneration	825 081	778 898
Director corporate services & governance: Section 57 appointment		
Annual Remuneration	825 081	766 165
Director economic development & procurement: Section 57 appointment		
Annual Remuneration	761 613	692 235
Manager: support services		
Annual Remuneration	571 210	516 232
Director infrastructure & utilities: Section 57 appointment		
Annual Remuneration	814 926	778 898
24. Remuneration of councillors		
Executive Mayor	610 535	570 581
Mayoral Committee Members	4 313 164	4 219 628
Speaker	478 140	446 844
Councillors	9 060 872	8 232 134
	14 462 711	13 469 187
In-kind benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has use of a Council owned vehicle for official duties.		
25. Debt impairment		
Debts impaired	154 100 204	125 227 465

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
26. Investment revenue		
Dividend revenue		
Dividends received	-	4 921
Interest revenue		
Bank	3 136 054	6 847 030
Interest charged on trade and other receivables	44 396 097	43 560 113
Interest on investments	10 679 013	18 384 548
	58 211 164	68 791 691
	58 211 164	68 796 612
27. Depreciation and amortisation		
Property, plant and equipment	152 965 736	62 795 068
28. Finance costs		
Long-term borrowings	15 357 960	16 330 417
Interest was paid to lenders as indicated in Appendix A.		
29. Contracted services		
Other Contractors	21 380 156	22 502 302
30. Bulk purchases		
Electricity	214 931 280	157 756 492
Water	112 492 492	102 429 319
	327 423 772	260 185 811

Electricity and water are supplied by Eskom and Midvaal Water Company. Residence of Hartbeesfontein are supplied with water purchased from a private individual.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
31. Cash generated from operations		
(Deficit) surplus	(14 668 004)	59 520 899
Adjustments for:		
Depreciation and amortisation	152 965 736	62 795 068
Gain on sale of assets and liabilities	-	2 302 422
Debt impairment	154 100 204	125 227 465
Movements in provisions	6 694 636	3 501 639
Changes in working capital:		
Inventories	5 351 011	(10 113 711)
Trade and other receivables	(1 418 382)	67 107 255
Consumer debtors	(195 390 472)	(190 227 024)
Trade and other payables from exchange transactions	31 684 905	5 900 277
VAT	14 602 295	(3 336 972)
Unspent conditional grants and receipts	5 367 629	(44 804 956)
	159 289 558	77 872 362
32. Commitments		
Authorised capital expenditure		
Commitments in respect of capital expenditure (approved and contracted for):		
• Infrastructure	35 641 738	110 327 210
• Community	9 841 621	7 917 210
• Other	7 636 050	10 826 010
	53 119 409	129 070 430
This expenditure will be financed from:		
• External loans	-	17 083 070
• Capital replacement reserve	-	45 525 870
• Government grants	53 119 409	66 461 490
	53 119 409	129 070 430
Operating leases - as lessee (expense)		
Minimum lease payments due on hire of photostat machines and vehicles		
- within one year	3 289 138	5 579 977
- in second to fifth year inclusive	3 662 788	9 807 304
	6 951 926	15 387 281

Operating lease payments represent rentals payable by the municipality for certain of its office properties and vehicles. Leases are negotiated for an average term of five years.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
33. Contingencies		
Contingent assets		
City of Matlosana / St Paul's Insurance Company		
A claim by Council for the payment of suretyshil and guarantees for work not completed by DGD Construction in Kanana.	2 200 000	2 200 000
City of Matlosana / Cybed Trading 0005CC		
Legal action instituted by Council against defendant for arrear debt.	12 000	16 514
City of Matlosana / J Fouche		
Matter proceeds on an opposed basis regarding compliance with regulations.	150 000	150 000
City of Matlosana / G Wessie		
Claim by council against a former employee for equipment not yet returned.	2 300	2 300
City of Matlosana / ZCM Britz		
The Council is claiming from defendant for loss of income. Further investigations are in progress.	61 688	12 000
34. Related parties		
Relationships		
Councillor	I. Bondes	
Councillor	M.C. Dithejane	
Related party transactions		
Purchases from (sales to) related parties		
Councillor I. Bondes	3 739 321	-
Councillor M.C. Dithejane	3 456 482	-
Bulk water is purchased from the section 21 company Midvaal Water for the year under review. The following Councillors are members of the executive authority of the Midvaal Water Company G.L. Sevuasengwe; O.R. Thabanchu; J. Douw.		
35. Prior period errors		
Income from the grant Provincial Health Services incurred during the previous financial year was brought into account.		
The correction of the error(s) results in adjustments as follows:		
Statement of financial position		
Unspent conditional grants and receipts	-	5 774 453
Statement of financial performance		
Revenue: Government grants and subsidies	-	(5 774 453)
36. Unauthorised expenditure		
Unauthorised expenditure awaiting authorization	34 995	34 995

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
37. Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure was condoned on 31/08/2010.	-	4 056 958
38. Irregular expenditure		
Opening balance	-	26 939 994
Less: Amounts condoned and repaid by Council	-	(26 939 994)
	-	-
It emanates from an external loan which was acquired without following all necessary processes. A report will be submitted to Council for the change and approval. No criminal procedures will be needed as the institution agreed to cancel the loan.		
39. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
No contributions were received or repaid during the year under review.		
Audit fees		
Current year subscription / fee	1 769 045	2 380 408
Amount paid - current year	(1 769 045)	(2 380 408)
	-	-
PAYE and UIF		
Opening balance	-	183 865
Current year subscription / fee	23 099 509	23 010 265
Amount paid - current year	(23 099 509)	(23 010 265)
Amount paid - previous years	-	(183 865)
	-	-
Pension and Medical Aid Deductions		
Opening balance	-	5 290 938
Current year subscription / fee	66 529 098	65 948 799
Amount paid - current year	(66 529 098)	(65 948 799)
Amount paid - previous years	-	(5 290 938)
	-	-
VAT		
VAT payable	31 045 806	16 443 511

VAT output payables and VAT input receivables are shown in note 16.

All VAT returns have been submitted by the due date throughout the year.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand 2010 2009

39. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2010:

30 June 2010	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor TD Mogale	2 188	12 028	14 216
Councillor Sithole	-	9 092	9 092
	2 188	21 120	23 308

30 June 2009	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor J Koen	3 744	421	4 165
Councillor H Moleme	13 004	1 675	14 679
	16 748	2 096	18 844

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2010	Highest outstanding amount	Aging (in days)
Councillor TD Mogale	12 028	90
Councillor Sithole	9 092	90
	21 120	180

30 June 2009	Highest outstanding amount	Aging (in days)
Councillor J Koen	1 375	30
Councillor H Moleme	9 464	30
	10 839	60

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Department		
Corporate	196 000	-
Infrastructure and utility	1 637 385	-
	1 833 385	-

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
40. Utilisation of Long-term liabilities reconciliation		
Long-term liabilities raised	144 442 583	155 946 675
	144 442 583	155 946 675
Cash set aside for the repayment of long-term liabilities	-	(7 751 917)
	144 442 583	148 194 758

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

41. Contingent liabilities

North West Security Services t/a Cetronic Security Services / City of Matlosana

A contract was cancelled with Cetronic Services. The claim against council is for services delivered after cancellation date.

91 000 91 000

Diggers Development / City of Matlosana, Valuation Board and City Valuers

The Claimant sued Council for expenditure they allegedly incurred during Valuation Board sittings.

15 000 15 000

Theron Jordaan & Smit / City of Matlosana

This was an application by the claimant, a firm of attorneys, to be reinstated on the panel by council. There is also a counter action by council for fees retained by the firm.

21 084 200 000

Klerksdorp Vulstasie and another / City of Matlosana

A claim for damages resulting from alleged negligence was instituted against council.

- 12 000

Francis Behr / City of Matlosana

Mr. Behr claimed against the Council for not transferring Erf 3141 Orkney Extension 2 into his name as he paid an amount of R 13 500.

13 500 13 500

S Pillay / City of Matlosana

Me. Shalin Pillay instituted legal action Council for damages suffered.

210 000 109 000

Minister Of Safety & Security / City of Matlosana

A summons was brought against the Council by the Minister of Safety & Security, claiming money from the Council for a motor vehicle accident.

5 264 5 264

Betty Manisa / City of Matlosana

Me. Betty Manisa claim from Council for services rendered during 2007.

22 200 22 200

ME Motuang / City of Matlosana

ME Motuang had summons issued and served for personal injury. The plaintiff apparently stepped into an open manhole and was injured and incurred damages as a result of loss of income.

150 000 -

SJ Motors / City of Matlosana

A summons was brought against the council for the amount of R 29 212.57. SJ Motors is claiming money from the Council for repair fee.

29 213 -

Mojo's Tent Hiring & Enterprise CC / City of Matlosana

A letter of demand was sent to the council for payment.

1 132 800 -

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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42. Retirement benefit information

An amount of R 38,887,166 (2009: R 33,712,989) was contributed by Council in respect of councillor and employees retirement funding. These contributions have been expenses.

Certain employees were prevented from joining Council's retirement funds. In terms of Council's employment policies, an obligation to provide pensions exists. These amounts are expensed on payment.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2010

Detailed Income statement

Figures in Rand	Note(s)	2010	2009
Revenue			
Administration fees		(260 406)	1 746 120
Property rates	18	222 191 171	130 747 800
Service charges	19	581 385 898	491 499 399
Rental of facilities and equipment		7 025 754	6 002 706
Fines		6 220 373	5 918 332
Licences and permits		4 471 090	4 203 022
Government grants & subsidies	20	317 994 170	350 110 270
Market dues		10 890 251	10 739 908
Transfer from reserves and funds		132 336 284	62 543 796
Provincial Government commission on licenses		9 062 014	8 687 663
Job costing		770 858	1 501 718
Sale of stands		-	1 061 785
Commission on services rendered		342 062	614 180
Seta training, legal costs and Provincial Government Motors Direct		2 456 218	1 893 022
Other non material income		29 231 053	23 253 011
Fee parking		193 597	153 727
Fees ripe and cool		299 821	317 549
Fees burial		850 063	822 687
Connections		959 665	1 147 133
Revaluation of shares		13 530	25 116
Interest received - investment	26	58 211 164	68 791 691
Dividends received	26	-	4 921
Total Revenue		1 384 644 630	1 171 785 556
Expenditure			
Personnel	23	(296 231 334)	(252 864 528)
Remuneration of councillors	24	(14 462 711)	(13 469 187)
Depreciation and amortisation	27	(152 965 736)	(62 795 068)
Finance costs	28	(15 357 960)	(16 330 417)
Debt impairment	25	(154 100 204)	(125 227 465)
Repairs and maintenance		(54 865 891)	(48 691 642)
Bulk purchases	30	(327 423 772)	(260 185 811)
Contracted services	29	(21 380 156)	(22 502 302)
General expenses	22	(362 524 870)	(307 895 815)
Total Expenditure		(1 399 312 634)	(1 109 962 235)
Loss on disposal of assets and liabilities		-	(2 302 422)
(Deficit) surplus for the year		(14 668 004)	59 520 899

Appendix A

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2009	Received during the period	Redeemed written off during the period	Balance at 30 June 2010
		Rand	Rand	Rand	Rand
Annuity loans					
Development Bank of SA @ 12%	JBC09588	20 826 549	-	2 848 010	17 978 539
Development Bank of SA @ 15%	NW10959	5 629 105	-	362 616	5 266 489
Development Bank of SA @ 15.25%	NW11182	6 139 508	-	320 384	5 819 124
Development Bank of SA @ 15.6%	NW13637	3 539 399	-	124 375	3 415 024
Development Bank of SA @ prime	NW13874/1	5 555 556	-	555 556	5 000 000
Development Bank of SA @ prime + 1.5%	NW13874/2	14 998 125	-	-	14 998 125
Development Bank of SA @ 11.5%	100395	8 667 924	-	1 818 900	6 849 024
Development Bank of SA @ 11.2%	101297/1	23 145 429	-	1 351 932	21 793 497
Development Bank of SA @ 11.2%	101297/2	28 962 211	-	1 691 693	27 270 518
INCA @ 12.25%	KLER-00-001	8 456 671	-	1 508 899	6 947 772
		125 920 477	-	10 582 365	115 338 112
Annuity loans					
		125 920 477	-	10 582 365	115 338 112
		125 920 477	-	10 582 365	115 338 112

Appendix B

Analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	44 685 527	-	-	-	61 916 473	-	106 602 000	(2 007 857)	-	-	-	-	(2 007 857)	104 594 143
Buildings (Separate for AFS purposes)	122 512 658	13 487 978	(650)	(650)	-	5 021 637	141 021 623	(30 029 088)	650	-	(3 990 137)	-	(34 018 575)	107 003 048
	167 198 185	13 487 978	(650)	-	61 916 473	5 021 637	247 623 623	(32 036 945)	650	-	(3 990 137)	-	(36 026 432)	211 697 191
Infrastructure														
Roads and stormwater	241 605 520	19 135 083	-	-	601 952 983	28 134 082	890 827 669	(72 666 740)	-	-	(68 707 204)	-	(141 373 944)	749 453 724
Electricity networks	172 741 664	6 937 299	-	-	93 195 909	3 456 159	276 331 031	(69 301 860)	-	-	(8 403 569)	-	(77 705 429)	198 625 602
Sewerage networks	269 368 886	10 681 756	-	-	323 872 802	4 126 194	608 048 538	(48 886 041)	-	-	(27 388 069)	-	(76 284 110)	531 764 428
Taxiways	5 377 731	1 796 784	-	-	-	-	7 176 516	(1 459 869)	-	-	(257 750)	-	(1 717 619)	5 458 696
Water networks	126 706 011	16 257 008	-	-	343 729 634	16 394 403	503 087 056	(42 515 695)	-	-	(22 425 368)	-	(64 941 063)	438 145 093
Sida walks	34 194 902	10 307 883	-	-	177 954 182	3 790 217	226 247 184	(3 538 108)	-	-	(1 906 312)	-	(5 444 420)	220 802 764
Security systems	8 569 696	392 555	-	-	190 125	-	9 162 376	(6 892 715)	-	-	(806 680)	-	(7 699 395)	1 453 281
	858 564 810	66 510 369	-	-	1 540 896 436	55 900 065	2 520 870 668	(245 271 028)	-	-	(129 894 952)	-	(375 165 900)	2 145 704 688
Community Assets														
Buildings	63 774 544	1 101 984	-	-	-	3 576 577	68 453 105	(19 655 833)	-	-	(1 916 885)	-	(21 572 698)	46 880 407
Parks and Recreation	15 306 644	931 490	-	-	-	-	16 238 134	(6 526 197)	-	-	(705 401)	-	(7 231 598)	9 006 536
	79 081 188	2 033 474	-	-	-	3 576 577	84 691 239	(26 182 030)	-	-	(2 622 286)	-	(28 804 296)	55 886 943

Appendix B

Analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Museum	242 838	-	-	-	-	-	242 838	(84 725)	-	-	-	-	(84 725)	158 113
Statues	244 983	-	-	-	-	-	244 983	-	-	-	-	-	-	244 983
Historical buildings	713 407	-	-	-	-	-	713 407	-	-	-	-	-	-	713 407
Historical sites	19 591	-	-	-	-	-	19 591	-	-	-	-	-	-	19 591
Paintings	349 736	-	-	-	-	-	349 736	-	-	-	-	-	-	349 736
	1 570 535	-	-	-	-	-	1 570 535	(84 725)	-	-	-	-	(84 725)	1 485 810
Other assets														
General vehicles	76 743 225	18 592 528	(985)	-	-	814 000	96 148 768	(51 540 348)	985	-	(3 734 555)	-	(56 262 918)	40 885 850
Furniture & Fittings	27 714 587	1 433 787	(830 498)	-	-	-	28 524 256	(25 116 381)	830 498	-	(1 047 949)	-	(25 533 832)	2 990 424
Office Equipment	27 975 805	4 091 692	(155 566)	-	-	-	31 912 041	(19 309 161)	155 566	-	(3 115 919)	-	(22 269 524)	9 642 517
Bins and Containers	8 786 934	954 728	-	-	-	-	9 741 662	(5 416 721)	-	-	(805 498)	-	(6 222 219)	3 519 443
Emergency equipment	1 433 522	-	(5 010)	-	-	-	1 428 512	(480 935)	5 010	-	(97 550)	-	(573 475)	855 037
Watercraft	7 432	-	-	-	-	-	7 432	(3 963)	-	-	(495)	-	(4 458)	2 974
Plant and Equipment	97 878 962	11 898 433	(109 898)	-	-	103 660	109 771 157	(65 670 988)	109 898	-	(7 656 414)	-	(73 217 484)	36 553 673
	240 540 967	36 977 148	(901 947)	-	-	917 660	277 533 828	(167 547 477)	901 947	-	(16 468 300)	-	(183 103 910)	94 429 918
Total property plant and equipment														
Land and buildings	167 198 185	13 487 978	(650)	-	61 916 473	5 021 637	247 623 623	(32 036 945)	650	-	(3 980 137)	-	(36 026 432)	211 597 191
Infrastructure	859 564 810	65 510 368	-	-	1 540 895 435	55 900 055	2 520 870 668	(245 271 028)	-	-	(129 884 952)	-	(376 165 980)	2 145 704 688
Community Assets	79 081 188	2 033 474	-	-	-	3 576 577	84 691 239	(26 182 030)	-	-	(2 622 266)	-	(28 804 296)	55 886 943
Heritage assets	1 570 535	-	-	-	-	-	1 570 535	(84 725)	-	-	-	-	(84 725)	1 485 810
Other assets	240 540 967	36 977 148	(901 947)	-	-	917 660	277 533 828	(167 547 477)	901 947	-	(16 458 380)	-	(183 103 910)	94 429 918
	1 346 965 685	118 008 968	(902 597)	-	1 602 811 908	65 415 929	3 137 269 893	(471 122 205)	902 597	-	(152 966 735)	-	(623 185 343)	2 509 104 560
Investment properties														
Investment property	5 403 557	-	-	-	-	-	5 403 557	-	-	-	-	-	-	5 403 557
	5 403 557	-	-	-	-	-	5 403 557	-	-	-	-	-	-	5 403 557
Total														
Land and buildings	167 198 185	13 487 978	(650)	-	61 916 473	5 021 637	247 623 623	(32 036 945)	650	-	(3 980 137)	-	(36 026 432)	211 597 191
Infrastructure	859 564 810	65 510 368	-	-	1 540 895 435	55 900 055	2 520 870 668	(245 271 028)	-	-	(129 884 952)	-	(376 165 980)	2 145 704 688
Community Assets	79 081 188	2 033 474	-	-	-	3 576 577	84 691 239	(26 182 030)	-	-	(2 622 266)	-	(28 804 296)	55 886 943
Heritage assets	1 570 535	-	-	-	-	-	1 570 535	(84 725)	-	-	-	-	(84 725)	1 485 810
Other assets	240 540 967	36 977 148	(901 947)	-	-	917 660	277 533 828	(167 547 477)	901 947	-	(16 458 380)	-	(183 103 910)	94 429 918
Investment properties	5 403 557	-	-	-	-	-	5 403 557	-	-	-	-	-	-	5 403 557
	1 362 359 242	118 008 968	(902 597)	-	1 602 811 908	65 415 929	3 137 693 450	(471 122 205)	902 597	-	(152 966 735)	-	(623 185 343)	2 514 608 107

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010 Cost/Revaluation Accumulated Depreciation

	Opening Balance		Additions		Disposals		Transfers		Revaluations		Other changes, movements		Closing Balance		Opening Balance		Disposals		Transfers		Depreciation		Impairment deficit		Closing Balance		Carrying value	
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Municipality																												
Health/Clinics	6 447 570		-		(21 075)		-		-		3 397 515		6 426 495		(5 347 165)		21 075		-		(71 395)		-		(5 397 485)		1 029 010	
Community Services	132 928 042		4 534 612		(109 119)		-		-		-		140 751 050		(81 357 767)		141 576		-		(9 100 109)		-		(90 316 299)		50 434 751	
Housing	24 475 032		115 851		(32 904)		-		-		-		24 567 889		(3 635 341)		20 969		-		(675 853)		-		(4 290 025)		20 277 864	
Public Safety	49 499 483		8 892 292		(163 738)		-		-		814 000		57 042 037		(22 859 487)		163 738		-		(3 265 077)		-		(25 960 826)		31 051 211	
Council General Expenses	7 743 368		21 694 516		(28 896)		-		-		751 346		30 160 333		(2 644 995)		28 896		-		(987 977)		-		(3 604 076)		26 556 257	
City Civil Engineer	763 152 182		69 534 839		(102 288)		-		1 509 616 000		54 919 552		2 414 120 265		(205 451 851)		102 660		-		(124 052 987)		-		(329 412 178)		2 084 708 107	
City Electrical Engineer	247 544 917		8 310 833		(51 912)		-		93 195 909		5 533 518		354 533 265		(102 702 068)		26 105		-		(9 899 350)		-		(112 575 313)		241 957 952	
Corporate Services	43 416 693		3 148 025		(236 850)		-		-		-		46 327 868		(22 340 495)		234 268		-		(1 810 933)		-		(23 917 160)		22 410 708	
Financial Services	23 268 758		5 732 121		(149 207)		-		-		26 891 672		30 784 522		(12 576 404)		146 791		-		(1 626 331)		-		(14 067 944)		14 793 738	
Market	30 351 389		426 673		(3 540)		-		-		-		30 784 522		(11 338 343)		3 540		-		(1 216 307)		-		(12 551 110)		18 233 412	
Local Economic Dev & Procurement	3 321 809		619 208		(12 860)		-		-		-		4 126 037		(688 290)		12 860		-		(257 619)		-		(1 102 929)		3 025 108	
Total	1 352 359 243		118 008 970		(902 599)		-		1 602 811 909		65 415 930		3 137 693 453		(471 122 206)		902 598		-		(152 965 737)		-		(623 185 345)		2 514 508 108	
Municipality	1 352 359 243		118 008 970		(902 599)		-		1 602 811 909		65 415 930		3 137 693 453		(471 122 206)		902 598		-		(152 965 737)		-		(623 185 345)		2 514 508 108	

Appendix D

Segmental Statement of Financial Performance for the year ended
Prior Year **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
9 178 845	64 990 423	(55 811 578)	Executive & Council/Mayor and Council	4 841 708	86 878 097	(82 036 389)
320 044 870	87 091 631	232 953 239	Finance & Admin/Finance	617 584 518	249 975 562	367 608 956
2 409 509	12 623 004	(10 213 495)	Planning and Development/Economic Development/Plan	(1 750)	13 993 508	(13 995 258)
6 040 121	7 107 008	(1 066 887)	Health/Clinics	298 301	7 779 154	(7 480 853)
91 312 427	131 294 910	(39 982 483)	Comm. & Social/Libraries and archives	106 478 219	138 612 964	(32 134 745)
3 024 869	9 219 019	(6 194 150)	Housing	2 865 457	11 551 116	(8 685 659)
66 391 173	99 598 542	(33 207 369)	Public Safety/Police	22 292 066	142 068 939	(119 776 873)
230 613 436	333 378 548	(102 765 112)	Road Transport/Roads	264 834 701	401 924 950	(137 090 249)
256 984 258	229 910 688	27 073 570	Electricity /Electricity Distribution	338 820 365	295 125 415	43 694 950
13 205 897	33 526 828	(20 320 931)	Other/Air Transport	14 742 075	39 404 900	(24 662 825)
999 205 405	1 008 740 601	(9 535 196)		1 372 755 660	1 387 314 605	(14 558 945)
Municipal Owned Entities						
Other charges						
9 167 948	9 278 959	(111 011)		11 888 970	11 998 029	(109 059)
9 167 948	9 278 959	(111 011)		11 888 970	11 998 029	(109 059)
999 205 405	1 008 740 601	(9 535 196)	Municipality	1 372 755 660	1 387 314 605	(14 558 945)
9 167 948	9 278 959	(111 011)	Other charges	11 888 970	11 998 029	(109 059)
1 008 373 353	1 018 019 560	(9 646 207)	Total	1 384 644 630	1 399 312 634	(14 668 004)

Appendix E(1)

**Actual versus Budget(Revenue and Expenditure) for
the year ended 30 June 2010**

	Current year 2010 Act. Bal.	Current year 2010 Adjusted budget	Variance		Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand	Var	
Revenue					
Administration fees	(260 406)	2 125 920	(2 386 326)	(112.2)	
Property rates	222 191 171	152 150 780	70 040 391	46.0	
Service charges	581 385 898	639 125 802	(57 739 904)	(9.0)	
Rental of facilities and equipment	7 025 754	6 337 090	688 664	10.9	
Fines	6 220 373	10 727 920	(4 507 547)	(42.0)	
Licences and permits	4 471 090	3 714 370	756 720	20.4	
Government grants & subsidies	317 994 170	319 981 430	(1 987 260)	(0.6)	
Market dues	10 890 251	10 951 600	(61 349)	(0.6)	
Other income	176 515 165	286 236 842	(109 721 677)	(38.3)	
Interest received - investment	58 211 164	62 316 270	(4 105 106)	(6.6)	
	1 384 644 630	1 493 668 024	(109 023 394)	(7.3)	
Expenses					
Personnel	(296 231 334)	(301 975 206)	5 743 872	(1.9)	
Remuneration of councillors	(14 462 711)	(16 078 960)	1 616 249	(10.1)	
Depreciation	(152 965 736)	(71 848 002)	(81 117 734)	112.9	
Finance costs	(15 357 960)	(20 212 270)	4 854 310	(24.0)	
Debt impairment	(154 100 204)	(9 130 981)	(144 969 223)	1 587.7	
Collection costs	(7 894 146)	(7 911 870)	17 724	(0.2)	
Repairs and maintenance - General	(54 865 891)	(57 731 978)	2 866 087	(5.0)	
Bulk purchases	(327 423 772)	(323 590 230)	(3 833 542)	1.2	
Contracted Services	(21 380 156)	(21 431 440)	51 284	(0.2)	
General Expenses	(354 630 724)	(576 518 354)	221 887 630	(38.5)	
	(1 399 312 634)	(1 406 429 291)	7 116 657	(0.5)	
Other revenue and costs	-	-	-	-	
Net surplus/ (deficit) for the year	(14 668 004)	87 238 733	(101 906 737)	(116.8)	

Appendix E(2)

Budget Analysis of Capital Expenditure as at 30 June 2010

	Additions	Revised Budget	Variance	Variance	Explanation of significant variances from budget
	Rand	Rand	Rand	%	
Municipality					
Buildings	18 509 615	39 248 110	20 738 495	53	
Electricity networks	10 393 459	47 569 880	37 176 421	78	
Roads and stormwater	47 269 165	89 767 867	42 498 702	47	
Water networks	32 651 411	58 989 293	26 337 882	45	
Sewerage networks	14 806 951	19 744 002	4 937 051	25	
Side walks	14 098 101	27 445 884	13 347 783	49	
Taxiways	1 798 784	1 800 000	1 216	-	
Security systems	392 555	426 000	33 445	8	
Community : Buildings	4 678 561	14 996 824	10 318 263	69	
Parks and recreation	931 490	1 160 000	228 510	20	
Office equipment	4 091 692	6 984 720	2 893 028	41	
Furniture	1 439 767	1 890 900	451 133	24	
Containers	954 728	1 217 940	263 212	22	
Emergency vehicles	19 406 528	23 589 150	4 182 622	18	
Plant and equipment	12 002 093	22 874 630	10 872 537	48	
	183 424 900	357 705 200	174 280 300	49	

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003 (R ' 000)

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun			
MIG	Treasury	30 897	22 264	8 263	23 200	24 111	28 327	17 368	10 362		Yes	
FMG	Treasury	750	-	-	-	124	83	45	137		Yes	
Drought relief	Water affairs	-	-	-	-	194	-	515	515		Yes	
DME	NER	-	-	6 800	-	-	95	1 345	1 867		Yes	
Fire Services	Public safety	-	3 500	-	-	-	-	814	-		Yes	
		31 647	25 764	15 063	23 200	24 429	28 505	20 087	12 881			

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Chapter 5

Functional Service

Delivery Report

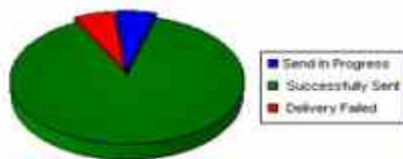
Campaign Success Report

Report Summary

Campaign: Official Delivery Date: 7/4/2006 3:04:22 PM
Mailing Name: Test Mailing Total List Size: 16

Send Report

Send Report



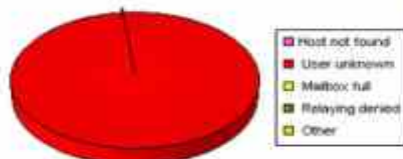
Emails Delivered

	Total	Percentage
Send in Progress:	1	6%
Successfully Sent:	14	88%
Delivery Failed:	1	6%
Total	16	100%

Success Rate: 93%

Delivery Failures

Delivery Failures



Delivery Failures

	Total	Percentage
Host not found:	0	0%
User unknown:	1	100%
Mailbox full:	0	0%
Relaying denied:	0	0%
Other:	0	0%
Total:	1	100%

Campaign Success Report

Report Summary

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Mailing Name:	Test Mailing	Total List Size :	16

Send Report

Send Report



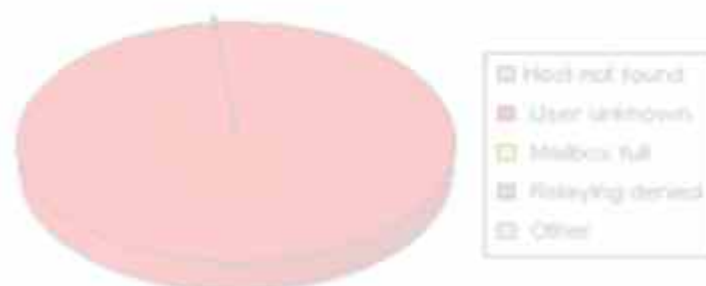
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Total	16	100%

Success Rate: 93%

Delivery Failures

Delivery Failures



Delivery Failures

	Total	Percentage
Host not found:	0	0%
User unknown:	1	100%
Mailbox full:	0	0%
Relaying denied:	0	0%
Other:	0	0%
Total:	1	100%

**MATLOSANA***"City of People, ON THE MOVE"*

GENERAL INFORMATION

OVERVIEW

The municipality was classified as a Category B Municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government Municipal Structures Act, 1998. The KOSH area includes Klerksdorp, Orkney, Stilfontein and Hartbeesfontein municipalities.

<u>General Information</u>	<u>Total</u>
1. Geography	
➤ Geographical Area	3,162km ²
2. Demography	
➤ High above sea level	Between 1 300m and 1 600m
3. Population	
➤ Urban	353,790
➤ Rural	47,332
➤ Total	401,122
4. Population per gender	
➤ Male (48.00%)	192,539
➤ Female (52.00%)	208,583
5. Number of Accounts	
➤ Urban	118,730
➤ Village	0
Total	118,730
6. Indigent population (Registered)	39,389
7. IEC Information	
➤ Total number of wards	31
➤ Total number of voting stations	108
➤ Total number of voters	184 998
8. Household income per month	
➤ Less than R2,020	39,389

(Source: Provincial IEC Offices, Spatial Development Framework, Revision 2009)



MATLOSANA

OFFICE OF THE MUNICIPAL MANAGER

City of People, **ON THE MOVE**

OVERVIEW

The purpose of this office is to direct and ensure compliance with council and municipality and with National and Provincial directives.

The Office of the Municipal Manager has to ensure the smooth running of the Municipal Manager's administration.

OPERATING STRUCTURE

In terms of the above, a Support Service Unit was allocated in the Office of the Municipal Manager which include the following sub-units:-

Performance Management (PMS) Integrated Development Planning (IDP) Supply Chain Management (SCM) Internal Audit (This unit performs functions independently with a direct reporting line to the Municipal Manager).	}	Support Services
--	---	------------------

The Office of the Municipal Manager consists of 13 employees.

DESCRIPTION OF THE ACTIVITY

SUPPORT SERVICES

- Performance Management (PMS) : Continuously monitors, measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.
- Integrated Development Planning (IDP) : To provide an acceptable level of residential service to all groups, by meeting the service delivery mandates and improving the quality of life of our people.
- Supply Chain Management (SCM) : To execute procurement in a transparent and equitable manner favouring the local economy and redressing historical imbalances.

INTERNAL AUDIT

The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

STRATEGIC OBJECTIVES

- To create change at various levels, a culture of best performance, promoting accountability and ensuring a meaningful Performance Management System
- To align its' planning with the development plans and strategies of the municipality and to develop a programme for enhancing public participation of all groups.
- To promote and maintain good corporate governance, HDI BEE and SMME spend and to improve efficiency, effectiveness and uniformity.
- To prevent unauthorized, irregular and fruitless expenditure.
- To assist the Accounting Officer and the Directorates with independent analysis, recommendations, counsel and information concerning the activities reviewed, as well as assisting management in managing risk, monitoring compliance, corporate governance and improving efficiency and effectiveness of the internal control system.

KEY ISSUES FOR 2010/2011

- SDBIP and Performance Agreements approved to ensure compliance with legislation
- Annual Performance Report approved to comply with section 46 of the MSA
- Final IDP approved to comply with legislation
- Public Participation enhanced to comply with legislation
- Internal Co-operation and Control implemented to ensure compliance with legislation
- Audit Committee Meetings held to ensure good governance
- Internal Audit Charter adopted to comply with legislation
- Risk Register updated to ensure good governance and to comply with legislation

SERVICE DELIVERY

INTEGRATED DEVELOPMENT PLANNING

DETAIL	2007/08	2008/09	2009/10
IDP Representative forum meetings	4	4	3
IDP Sector Department meetings	3	4	4
IDP Community meetings	21	22	35

SUPPLY CHAIN MANAGEMENT

DETAIL	2007/08	2008/09	2009/10
Number of Bid Committee Meetings	26	76	71
Supply Chain Workshop	4	5	3
Number of Tenders approved	142	71	81
Supplier Tendering workshops	4	7	2
Time taken to approve tenders (weeks)	4	5	7

ACTUAL PERFORMANCE ACHIEVED BY THE DEPARTMENT MEASURED AGAINST THE SET TARGET FOR 2009/10

KEY PERFORMANCE AREA (KPA)	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI)	PROJECTED TARGET	ACTUAL ACHIEVEMENT	REASON FOR DEVIATION	REMEDIAL ACTION
Municipal Institutional Development and Transformation	2010/2011 SDBIP approved to ensure compliance with legislation (28 days after approval of budget)	Approving final 2010/2011 SDBIP by Executive Mayor	Approved 2010/2011 SDBIP 28 June 2010	2010/2011 SDBIP approved on 31 July 2010	No ordinary Council meeting during June 2010	N/A
Municipal Institutional Development and Transformation	2010/2011 Performance Agreements (7) signed to comply with legislation	2010/2011 Signing performance agreements (7) with section 57 employees	28 June 2010	14 July 2010	No ordinary Council meeting during June 2010	N/A
Municipal Institutional Development and Transformation	2008/09 Annual Report tabled to comply with section 121 of MFMA	Tabling the 2008/09 Annual Report before Council	31 January 2010	Not yet	Only obtained AG opinion during May 2010 - 2008/09 Annual Report not yet approved - awaiting final printed copies	Table 2008/09 Annual Report as soon as possible
Good Governance and Public Participation	2010/2011 IDP approved to comply with legislation	Approving final 2010/2011 IDP by Council	31 May 2010	31 May 2010	N/A	N/A
Good Governance and Public Participation	2009/2010 IDP Process Plan tabled to indicate key deadlines	Tabling of 2009/2010 IDP process plan before Council	31 August 2009	31 August 2009	N/A	N/A



MATLOSANA

DIRECTORATE INFRASTRUCTURE & UTILITIES

City of People, *ON THE MOVE*

OVERVIEW

The function of the Directorate: Infrastructure & Utilities is to provide and maintain quality sustainable civil & electrical engineering and housing services for Matlosana and to continuously improve quality of life in a sustainable, safe, economical, equitable, integrated, environmentally sensitive and participatory manner.

OPERATING STRUCTURE

The Directorate provides the following services:-

- Civil Engineering:-
 - Town-Planning and Building Control
 - Road, Storm-water and Landfill Sites
 - Water
 - Sewerage
 - Building Construction
- Electrical Engineering:-
 - High & Low Tension: Distribution
 - Planning and Testing
 - Fleet Maintenance
 - Mechanical & Electrical Workshop
- Housing Services

DESCRIPTION OF THE ACTIVITY

CIVIL ENGINEERING

- **Town-Planning and Building Control:** Responsible for all activities associated with development initiatives of erven of Council and in support of the private sector
- **Road, Storm-water and Landfill Sites :** Planning, provision and maintenance of tarred and gravel roads and storm -water infrastructure and the planning provision and running of the waste landfill sites to ensure safe handling of solid waste and compliance with all applicable legislation
- **Water:** Bulk purchases of water, distribution and maintenance of new and existing infrastructure. Provide safe drinking water to the community as prescribed by legislation.
- **Sewerage:** Providing an affordable, efficient and cost effective sanitation service through a well established and maintained infrastructure
- **Building Construction:** Responsible for the maintenance and construction of Council buildings, as well as additions and alterations to existing buildings.

ELECTRICAL ENGINEERING

- **High & Low Tension: Distribution:** Bulk purchase and distribution of electricity and the maintenance of medium voltage distribution (11kv, 6,6kv, and 3.3kv networks), low voltage distribution networks, sewer pump-station and plants, water pump-stations, lifting equipment, buildings, streetlights, highmast lights and sportfield lights.
- **Planning & Testing:** Testing of electrical installations, as well as robot installations, electrical metering (medium and low voltage systems), and medium voltage protection, radio communication systems for all Council departments, fault finding, water pump-stations and sewer pump-stations.
- **Fleet Maintenance:** Responsible for the daily management of Council vehicles.
- **Mechanical & Electrical Workshops:** Maintenance all sewer pump-stations and plant, water pump-stations, hydraulic equipment, welding, boiler-making and fitting and turning.

HOUSING SERVICES

To plan, implement, monitor and manage the housing delivery processes and subsidy programmes in the City of Matlosana.

STRATEGIC OBJECTIVES

- Guide development in the municipal area according to policy
- Creating and maintaining of new and existing road and storm-water, water and sewer infrastructure
- Maintain new and existing council buildings
- Maintenance of new and existing electrical infrastructure
- Provide and administrate housing within the community

KEY ISSUES FOR 2010/2011

- Indoor Sports Centre built to improve socio economic conditions
- Main Storm Water Drainage provided to ensure new infrastructure and better service delivery
- Taxi Routes paved and Storm Water Drainage system upgraded to ensure a better accessibility to the community
- Roads resealed to maintain the existing road infrastructure
- WWTP in Hartbeesfontein (Phase 2) increased to ensure the effluent standards meet the requirements
- Bulk water supplied in Alabama (Phase 3) to ensure a basic water service
- Water from Midvaal reservoir to Muranti reservoir supplied to ensure a basic water service
- Old landfill sites rehabilitated to ensure a safer environment
- Water Pressure Management system implemented to improve service delivery
- Reservoirs cleaned to comply with legislation
- Building Plans approved to comply with legislation
- High Mast Lights installed to better service delivery
- 11Kv Distribution Network upgraded to meet electricity demands
- Electrical Supply to Doringkruin & Uraniaville increased to meet electricity demands
- 40m² Low Cost Houses built (2,500 Units) to eliminate the housing backlog

SERVICE DELIVERY**CIVIL ENGINEERING****WATER**

DETAIL	2007/08	2008/09	2009/10
Total volume and of bulk water purchased in kilolitres.	25,760,894 kl	28,540,396 kl	28,190,938 kl
Total volume and receipts of water sales			
➤ Residential communal supply	674,326	835,475	836,745
➤ Residential uncontrolled	10,345,334	96,385,345	15,386,475
➤ Commercial	6,543,421	5,365,217	4,875,645
➤ Industrial dry	165,327	148,456	124,386
➤ Other	2 587 671	2,357,481	1,850,321
TOTAL	20,316,079	105,091,974	
Total year to date water unaccounted for	7,803,654	8,134,012 28.5%	10,850,713 38,14%
Number of households with water service, and type			
➤ Piped water inside yard	115,985	125,675	126,765
➤ Piped water on communal supply distance < 200 m from dwelling	-	-	1,850 Rural Settlement
➤ Below minimum standard	1,000	0	1,845 Mushrooming squatters
Number of new water connections	1,485	850	1,350
Number of restriction and reconnections:			
➤ Restrictions	47,855	58,765	N/A
➤ Reconnections	35,457	49,845	N/A
Anticipated expansion of water services next financial year			
➤ Piped water inside yard	5,000	5,865	4,500
Estimated backlog of water connection:			
➤ Piped water inside yard	5,000	3,850	3,000
Free Basic Service Provision:			
➤ Quantity (number of households affected)	125,000	125,675	125,765
➤ Quantum (value to each household)	6 kl per month free	6 kl per month free	6 kl per month free
Type and number of grants and subsidies received:			
➤ IGG Water subsidy	3	3	3

WASTE LANDFILL SITES

DETAIL	2007/08	2008/09	2009/10
Total tonnage of all waste landfill disposed:			
➤ Domestic/Commercial/Garden	46,000 ton	60,000 ton	60,000 ton
Total operating cost of solid waste management function	R3,935,040	R5,000,000	R6,000,000

SEWERAGE

DESCRIPTION	2007/08	2008/09	2009/10
Number of sewer blockages cleaned:			
➤ main sewers	8,636	9,630	10,610
➤ private sewers	1,055	4,343	3,258
Number of new sewer connections installed	49	30	25
Number of services/repairs of sewer pump stations	300	50	160
Number of purified sewer samples tested for quality	384	192	48
Length of main sewers cleaned on programme	9km	10km	7 km

BUILDING CONSTRUCTION

DETAIL	2007/08	2008/09	2009/10
Value of work completed:			
➤ Maintenance on buildings	R3,848,240	R1,969,475	R2,171,880
➤ Capital work			
Departmental	R6,764,236	R5,578,831	R4,705,210
Consultants	R4,466,230	R960,402	R3,523,022
MIG	-	2,561,006	R4,265,916

DEVELOPMENT PLANNING AND BUILDING CONTROL

DETAIL	2007/08	2008/09	2009/10
Detail of building plans			
➤ Number of building plans approved (excluding low cost housing)	1,335	1,199	1,114
Value of building plans approved	R516,145,000	R499,904,500	R474,618,400
Number of applications received for:			
➤ Township establishment	17	7	6
➤ Rezoning	141	108	84
➤ Special consent	12	9	12

ROADS AND STORM-WATER

DETAIL	2007/08	2008/09	2009/10
Total kilometres of existing roads maintained :			
➤ Tar	1,050 km	1,064 km	1,071.1 km
➤ Paved	32 km	43 km	48,9 km
➤ Gravel	635 km	611 km	587 km
Total kilometres of roads graded			
➤ Gravel	500 km	500 km	598,7 km
Estimated backlog in number of roads, in kilometres:			
➤ Tar and applicable storm-water systems	(Existing gravel roads) 635 km	(Existing gravel roads) 611 km	(Existing gravel roads) 587 km

Type of grants and subsidies received		PTIF – Integrated Transport Plan	PTIF - MIG Funding
---------------------------------------	--	----------------------------------	--------------------

ELECTRICAL ENGINEERING

ELECTRICAL DISTRIBUTION, PLANNING, TESTING, STREET LIGHTING

DETAIL	2007/08	2008/09	2009/10
OFFICE OF THE MANAGER			
➤ Typing of correspondence	2,285	1,789	2,143
COMPLAINT OFFICE			
➤ Complaints collection	13,728	11,315	13,853
➤ NER Records	-	39	16
PLANNING			
➤ Request for electrical supply	676	309	161
➤ Cost estimations	367	309	160
➤ Electrical inspections	633	593	163
➤ Electrical construction inspections	199	22	106
➤ Check for electricity theft	1,680	1,089	129
ELECTRICAL DISTRIBUTION			
➤ Maintain MV service connection	126	137	176
➤ Maintain transformers	20	24	12
➤ Maintain mini-substations	25	30	9
➤ Maintain LV service connections	9,743	12,200	9,297
➤ Streetlight complaints received	3,065	3,740	4,911
➤ Streetlight complaints repaired in 30 days	3,065	312	4,556
➤ Robot inspections	2,812	2 618	214
➤ Check batteries in substations	600	280	54
➤ Test protection relay's	126	83	18

FLEET MAINTENANCE

DETAIL	2007/08	2008/09	2009/10
FLEET MANAGEMENT			
➤ Inspections carried out	51	213	189
FLEET MAINTENANCE			
➤ Number of vehicles serviced	1,824	2,045	1,350
➤ Number of vehicle come-backs	43	61	3
➤ Number of other equipment repaired	711	1 005	381
➤ Number of equipment come-backs	18	21	44

MECHANICAL WORKSHOP

DETAIL	2007/08	2008/09	2009/10
Welding Works	119	230	154
Water pumps received / repaired	38	53	98
Sewerage pumps received / repaired	60	208	238
Vehicles with lifting equipment repaired	18	41	44

HOUSING

PROJECT NAME	TOTAL HOUSES	FOUNDATION	TOP STRUCTURE	ROOF	HOUSES COMPLETED
Kanana Ext 10	300	226	219	208	208
Khuma Ext 6	300	296	296	296	296

Jouberton Ext 14	500	313	306	279	279
Jouberton Ext 16	398	388	363	317	317
Jouberton Ext 19	700	693	681	587	587
Tigane Proper	300	22	22	22	22
TOTAL	2,498	1,942	1,889	1,705	1,705

ACTUAL PERFORMANCE ACHIEVED BY THE DIRECTORATE MEASURED AGAINST THE SET TARGETS FOR 2009/10

KEY PERFORMANCE AREA(KPA)	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI)	PROJECTED TARGET	ACTUAL ACHIEVEMENT	REASON FOR DEVIATION	REMEDIAL ACTION
Basic Service Delivery & Infrastructure Development	1 Under Pressure Drilling Machine purchased to ensure service delivery	Purchasing an under pressure drilling machine	R105,000	R24,600	Awaited the delivery of drilling machine	None
Basic Service Delivery & Infrastructure Development	Water Meters replaced to ensure accurate meter reading	Replacing water meters / valves (tools) at a cost of R4,500,000 by June 2010	R4,500,000	R1,926,316	Purchase valves and meters as and when required	To be completed by June 2011
Basic Service Delivery & Infrastructure Development	A 4" Water Pump purchased to improve service delivery	Purchasing a 4" water pump	R250,000	R248,000	N/A	N/A
Basic Service Delivery & Infrastructure Development	Water Pump Pipes purchased to improve service delivery	Purchasing of water pump pipes	R35,000	R 25,127	N/A	N/A
Basic Service Delivery & Infrastructure Development	Water Taps replaced to reduce water losses	Replacing water taps	R100,000	R72,167	N/A	N/A
Basic Service Delivery & Infrastructure Development	Main Sewer maintained to ensure maintenance of main sewers	Cleaning of main sewers	15 km	13km	Usage of private contractors expensive	Purchased own bigger equipment
Basic Service Delivery & Infrastructure Development	Reservoirs cleaned to comply with legislation	Cleaning reservoirs	39 reservoirs	22 reservoirs	Remaining reservoirs were in progress	Complete cleaning of reservoirs
Basic Service Delivery & Infrastructure Development	Electrical Connections done to ensure access to electricity requests	Attending to electrical connections	110 connections	335 connections	N/A	N/A
Basic Service Delivery & Infrastructure Development	Defects repaired to improve current infrastructure	Repairing of defects in Jouberton Ext 14 & 24	R26,000,000	R4,751,120	Project started late due to tender	Project to be finalized during 2010/11
Basic Service Delivery & Infrastructure Development	Flats upgraded to provide sustainable housing	Upgrading of flats	R100,000	R86,700	N/A	N/A



MATLOSANA

DIRECTORATE MUNICIPAL & SOCIAL SERVICES

City of People, **ON THE MOVE™**

OVERVIEW

The functions of the Directorate: Municipal and Social Services includes Refuse Removal, Cleansing, Parks and Recreation, Libraries, Museum, Primary Health, Traffic, Licensing and Fire Services and has as its vision to provide an environment that has a positive influence on the day -to-day lives of our residents.

Currently a total of 1,062 employees are employed in three departments endeavouring to, with restricted resources, comply with the increasing demand of services.

OPERATING STRUCTURE

The Directorate consist of a Director, two Deputy Directors and Assistant Directors taking charge of the different sections.

DESCRIPTION OF THE ACTIVITY

PUBLIC SAFETY

- **Traffic:** To promote road safety in order to reduce road accidents, fatalities and injuries and to combat road traffic offences.
- **Fire and Rescue:** To preserve and enhance the quality of life and minimize the actual fire risks for the community through the application of a comprehensive fire and hazard prevention programme and to provide quality fire prevention, suppression and rescue services.
- **Licensing:** To provide integrated and sustainable registration and licensing service to the community.

COMMUNITY SERVICES

- **Parks and Recreation:** To establish a user friendly, green, clean, neat and colourful city and to develop, maintain and operate sports and recreational facilities, cemeteries, parks, sidewalks and trees.
- **Libraries, Museum and Art Gallery :** To maintain the cultural heritage of the city, to provide educational programmes and library awareness programmes.
- **Cleansing Services:** To ensure a hygienic and pollution free environment, to deliver a refuse removal service for domestic and business users, street cleansing and additional refuse removal.

HEALTH SERVICES

Primary Health Care: To deliver, together with the Provincial Health Department, a comprehensive and integrated as well as accessible and sufficient primary health service to its residents.

STRATEGIC OBJECTIVES

To provide accessible, effective and efficient services to our community and to provide an environment that has a positive influence on the day-to-day lives of our residents.

KEY ISSUES FOR 2010/2011

- Multi Purpose Community Sports Facility built to improve socio economic conditions
- Environmental Education Centre - Faan Meintjes built & equipped to ensure capacity building in the community
- Fire Engines purchased for better service delivery
- Library in Khuma built to improve service and quality of life
- Refuse compaction trucks purchased to enhance efficiency
- Security fence replaced at Khuma workshop to enhance efficiency
- Museum upgraded to enhance service delivery
- Road Safety promoted to promote road safety

SERVICE DELIVERY

PUBLIC SAFETY

Traffic

STATISTICS	2007/08	2008/09	2009/10
TRAFFIC VIOLATIONS			
Section 56 Summonses:			
➤ Speed	3,640	3,189	1,564
➤ Other	6,611	11,070	10,369
Section 341 Notices:			
➤ Parking Meters	16,950	12,950	15,222
➤ Other Parking Offences	4,015	4,083	10,862
➤ Camera: Speed & Robot	41,803	35,629	80,573
TOTAL	73,019	66,921	118,590
CASE RESULTS OF COURT CASES			
➤ Struck off the Roll/Innocent/Warned	8,139	4,045	5,990
➤ No Return of Services	40,255	4,612	3,145
➤ Warrant of Arrest Issued for Contempt of Court	9,411	4,041	7,324
Matlosana Traffic Court			
➤ Number of Cases on the Court Roll:	18,532	21,804	18,845
➤ Number of Cases – Heard	508	330	432
➤ Number of Cases – Guilty	9,803	6,806	2,617
➤ Number of Cases – Not guilty	5,348	7,122	1,032
➤ Number of Cases – Withdrawn/Scrapped	3,184	3,058	1,426
➤ Number of Cases – Postponed	365	59	1,172
➤ Drunken Driving Cases dealt with	2,732	2,044	4,414
Reckless/Negligent Driving Cases:			
➤ Number of Cases – Postponed	586	441	1,722
➤ Number of Cases – Withdrawn/Scrapped	1,778	1,357	680
➤ Other: Culpable Homicide, Theft, Robbery, Fraud, Assault, Crimanjuria	867	746	135
	82	22	20
TOTAL	101,590	56,497	48,954

TOTAL INCOME FROM TRAFFIC COURT			
➤ Bail Money	12,850	4,700	32,950
➤ Admission of Guilt paid (Criminal)	28,960	37,700	105,750
➤ Court Fines	95,780	126,780	601,650
➤ Provincial Court Fines	7,850	1,580	1,900
TOTAL	145,440	170,760	742,250
SUMMONS ISSUED			
Section 56 Summonses issued – Traffic Officers			
➤ Speed	3,640	3,189	1,564
➤ Other	6,611	11,070	10,369
Summonses issued – Unpaid Section 341 Notices	52,550	18,156	11,084
TOTAL	62,801	32,415	23,017
CASES WITHDRAWN BY SENIOR PUBLIC PROSECUTOR AS A RESULT OF REPRESENTATIONS:			
➤ Section 56 Summonses	437	79	343
➤ Section 341 Notices	646	953	668
➤ Camera Cases	3,892	6,328	2,515
TOTAL	4,975	7,360	3,526
ADMISSION OF GUILT			
Magistrate Court	-	-	1,665,288
Matlosana Traffic Court			
➤ Contempt of Court	257,650	140,400	351,150
➤ Warrants of Arrest	300,490	223,030	609,100
➤ Easy Pay	296,313	991,950	1,595,247
At Traffic Department			
➤ Section 56 Summonses	1,168,725	1,587,850	2,899,660
➤ Section 341 Notices	1,092,445	1,528,750	379,790
TOTAL	3,115,623	4,462,980	7,500,235
TOTAL INCOME PER ANNUM			
➤ Traffic Fines	3,115,623	4,462,980	7,500,235
➤ Parking Meters – Council	0	0	0
➤ Parking Meters – ADO	337,238	244,709	366,706
➤ Accident Reports	24,740	24,730	19,580
➤ Income from Parking Grounds			
○ Uncovered Parking	123	1,289	0
○ Covered Parking	9,259	7,245	22,753
➤ Escort Fees			
○ Abnormal Loads	38,588	27,420	15,552
○ Fun Runs/Road Races/Cycle Races/Temporary Closing of Streets	29,255	39,810	109,510
➤ Hawkers	22,800	24,030	38,832
TOTAL	3,577,628	4,832,214	8,073,168
WRITTEN WARNINGS ISSUED			
➤ Traffic Violations	6	2	0
➤ Other (Disturbance of the Peace, etc.)	4	1	0
TOTAL	10	3	0
PARKING METERS – ADO			
➤ Number of Parking Meters	162	162	162
➤ Number of Operating Parking Meters	162	162	162
➤ Number of Damaged Parking Meters	0	0	0
ARRESTS			
(Driving while under the influence of intoxicating liquor)			
➤ Males	935	657	718
➤ Females	20	11	7
TOTAL	955	668	725

ESCORTS / SPECIAL SERVICES RENDERED			
➤ Abnormal Loads	163	121	252
➤ Funerals	390	271	351
➤ Fun Runs/Road Race/Cycle Races	26	13	8
➤ Street Festival	0	0	1
➤ Street Braai/Street Closure	93	109	111
TOTAL	672	514	723

Fire and Rescue

Description	2007/08	2008/09	2009/10
Fire suppression	480	230	172
Services to other jurisdictions "mutual aid"	1	3	0
Public education	213	2,451	3,895
Building plans	1,665	1,230	1,159
Site inspections – new	11	896	817
Site inspections – re-inspections	0	75	68
Flammable liquid registrations	299	189	127
Fire hydrant maintenance/inspection	2,455	1,732	1,840
Evacuation plans	3	0	0
Grass Fires	213	488	529
Training	213	2,451	16
Trade License	97	217	251
Transport Permit	228	160	406
Complains	12	21	10
Pre – burn Inspections	11	9	16
Pre – burns	6	2	14
Rescues	363	265	250

Licensing

Description	2007/08	2008/09	2009/10	Cost (R)
Registration of vehicles	36,950	32,358	33,296	2,992,183
Licensing/Renewal of vehicle licenses	89,141	94,359	98,625	40,927,162
Issue of Permits	8,085	6,355	5,786	485,895
Application and renewal of Motor Trade Plates	222	191	173	116,934
Application and issue of Business Licenses, Hawkers and stands	630	653	980	75,699
Application and issue of certification of roadworthy certificates of motor vehicles	4,946	5,483	4,849	692,314
Weighbridge certificate of vehicles	2,148	1,819	921	23,025
Application and issue of Learner's Licenses	14,480	15,203	12,822	1,161,186
Application and issue of Driver's Licenses	6,708	6,511	5,617	1,150,718
Application for Professional Driving Permits	3,073	3,310	3,116	304,158
Renewal of Driver's Licenses	15,710	12,547	11,918	2,142,060
Temporary Driver's Licenses	7,411	7,542	6,395	302,409
Road Traffic Management Corporation	84,166	84,480	88,657	2,922,392

COMMUNITY SERVICES**Parks and Recreation**

INDICATOR	2007/08	2008/09	2009/10
CEMETERIES			
➤ Burials	3,218	2,426	3,167
➤ Memorials	634	639	746
Expenditure	R6,008,240	R1,260,144	R767,384
Income	R1,072,570	R887,931	R918,574
AERODROME			
➤ Aerodrome – cut grass	3	3	3
Expenditure	R897,000	R197,103	R1,798,784
Income	R72,570	R11,009	Votes consolidated with Cemeteries
NATURE RESERVE			
➤ Visitors	3,902	3,571	1,328
➤ Surplus Game Sold	R360,000	R360,000	0
Expenditure	R889,700	R758,246	R757,484
Income	R496,600	R561,222	R784,880
TREES			
➤ Trimmed	1,500	1,296	±1,450
Expenditure	R490,000	-	-
SWIMMING POOLS			
➤ Visitors - All pools	3,000	2,774	2,171
➤ Gala Events	3	3	3
Expenditure	R2,575,910	R1,293,000	R1,882,000
Income	R6,832 1 Pool renovated	R13,870	R8,430
AUCTION KRAALS			
➤ Total auctions	50	549	50
Expenditure	R1,075,340	-	Votes consolidated – no stats available
Income	R700,000	-	-
RECREATION			
➤ Total major events	4	3	4
Expenditure	R7,000,000	R10,367,350	R10,525,140

Libraries and Museum

INDICATOR	2007/08	2008/09	2009/10	COST
Library Awareness Programmes	187	89	144	R17,607
Install Book Detection System	-	-	1	R162,421

EDUCATION				
➤ Education programmes presented	59	43	59	R45,000
➤ Lifelong learning classes presented	28	27	34	R50,000
COLLECTIONS				
➤ Maintenance & Care of Objects	1,209	1,200	1,000	R2,100
➤ Restoration of Objects	2	2	8	R4,100
➤ Digitized collection documentation	-	-	2,500	-
➤ Translation of documents	-	-	1,200	R35,000

EXHIBITIONS				
➤ Temporary exhibitions presented	2	2	2	R30,000
➤ Existing exhibitions maintained	20	10	15	R151,000
COMMUNITY PARTICIPATION				
➤ Meetings held with support groups	12	15	12	R1,800
➤ Heritage meetings held	24	22	8	R3,000
RESEARCH				
➤ Oral History Interviews	-	-	25	R 1,000
➤ Heritage mapping	-	-	1	R150,000

Cleansing Services

INDICATOR	2007/08	2008/09	2009/10
REFUSE REMOVAL SERVICE			
➤ Households and businesses in KOSH area per month	94,200	100,200	106,200
Expenditure	R21.3 million	R22.6 million	R23.1 million
NIGHT SOIL & VACUUM SERVICES			
➤ Households and businesses in KOSH are a per month	2,132	2,132	1,713
➤ Total of vacuum tanks	340	340	290
Expenditure	R7.9 million	R8.2 million	R8.6 million

ACTUAL PERFORMANCE ACHIEVED BY THE DEPARTMENT MEASURED AGAINST THE SET TARGET FOR 2009/10

KEY PERFORMANCE AREA (KPA)	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI)	PROJECTED TARGET	ACTUAL ACHIEVEMENT	REASON FOR DEVIATION	REMEDIAL ACTION
Municipal Institutional Development and Transformation	Educational Services provided to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners	Presenting lifelong skills development programs	24 Programmes	34 Programmes	N/A	N/A
Municipal Institutional Development and Transformation	Road Safety promoted to promote road safety	Conducting (K78) multi road blocks	4 Road Blocks	12 Road Blocks	N/A	N/A
Municipal Institutional Development and Transformation	Road Safety promoted to promote road safety	Conducting school campaigns	20 School Campaigns	36 School Campaigns	N/A	N/A



MATLOSANA

DIRECTORATE ECONOMIC GROWTH

City of People, **ON THE MOVE**

OVERVIEW

The function of the Directorate is to formulate and implement strategies that will create an environment conducive to sustainable economic growth and development. It furthers brands, promotes and enhances the public image of council in line with council policies and most importantly Agenda 16.

The Fresh Produce Market creates awareness across the North West Province, the neighbouring provinces and countries by providing an efficient, effective and flexible trading platform within the Fresh Produce industry thereby becoming a trading platform of choice in South Africa, resulting in driven competitiveness.

OPERATING STRUCTURE

The Directorate provides the following services:-

- Local Economic Development:-
 - ▶ LED
 - ▶ City Branding & Marketing
- Fresh Produce Market

DESCRIPTION OF THE ACTIVITY

LOCAL ECONOMIC DEVELOPMENT

- LED: Reduction of unemployment, stimulation of SMME growth and poverty alleviation
- City Branding & Marketing: Promote, brand awareness, building and investor relations

FRESH PRODUCE MARKET

- Finance, administration and cashier service, as well as responsible for the infrastructure, operations and security service.
- Assisting emerging farmers to sell their produce.

STRATEGIC OBJECTIVES

- Stimulation of SMME growth
- Poverty alleviation

- Facilitate and develop tourism
- Encourage and support SMME developments (emerging farmers)
- Create a fair trading platform for quality fruits and vegetables

KEY ISSUES FOR 2010/2011

- Flea Market Shelters build to create sustainable SMME's
- N12 West Development to improve the existing infrastructure
- Established car wash to promote social development
- Entrepreneur Support Centre built to promote social development
- Feasibility Report compiled to promote social economic development
- City Marketing to promote the city
- Freshmark System upgraded to ensure improved service delivery
- Counting machines purchased to ensure effective service delivery
- Market Hall renovated and additions made to ensure the maintenance of the current infrastructure

SERVICE DELIVERY

LOCAL ECONOMIC DEVELOPMENT

DETAIL	UNIT	2007/08	2008/09	2009/10
Number of SMME's assisted	SMME	78	591	650
Number of long-term jobs created	Jobs	602	819	1,012
Training provided in house for SMME's	Training	5	4	4
Number of funding facilitated	Funding	16	8	12
Youth workshops	Workshop	3	1	1
1 Disabled workshops	Workshop	1	1	2
SMME Training Facilitated (External)	Training	6	4	4
SMME EXPO	EXPO	1	-	1

CITY BRANDING & MARKETING

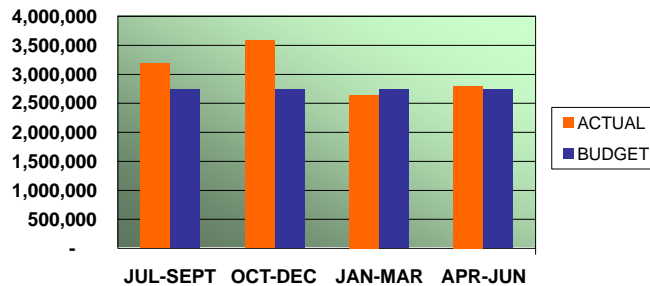
DETAIL	UNIT	2007/08	2008/09	2009/10
2010 Meetings	Meeting	8	8	16
Meeting with Business	Meeting	4	6	12
Website	Hit Rate / Day	800	4,943	12,980
SMME Tourism Development	Marketing Strategies	12	14	16
Branding	Events	18	20	22
Advertising	Electronic Print	12	16	24
Tourism Office (Activities)	Goudkoppie	1	4	6

FRESH PRODUCE MARKET

INDICATOR	2007/08	2008/09	2009/10
Rental Estate	R300,492	R675,952	R675,722
Market Dues	R6,095,080	R11,761,564	R12,215,987
Fees Ripe & Cool	R153,949	R342,739	R313,296
Buyer Cards	R2,158	R4,284	R3,711
Rental Transport	R22,768	R55,413	R72,506

MARKET DUES

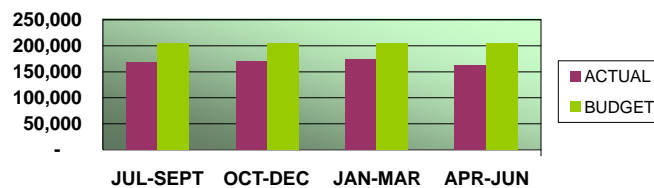
QUARTER	ACTUAL	BUDGET
JUL-SEPT	3,185,030	2,737,900
OCT-DEC	3,582,522	2,737,900
JAN-MAR	2,644,783	2,737,900
APR-JUN	2,803,652	2,737,900
	12,215,987	10,951,600



RENTAL

QUARTER	ACTUAL	BUDGET
JUL-SEPT	168,938	204,945
OCT-DEC	170,608	204,945
JAN-MAR	174,390	204,945
APR-JUN	161,786	204,945
	675,722	819,780

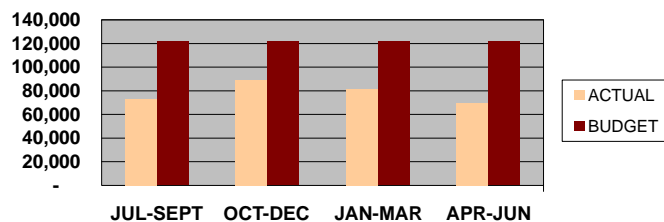
RENTAL 2009/2010



COLD STORAGE

QUARTER	ACTUAL	BUDGET
JUL-SEPT	72,811	121,583
OCT-DEC	89,318	121,583
JAN-MAR	81,739	121,583
APR-JUN	69,428	121,583
	313,296	486,330

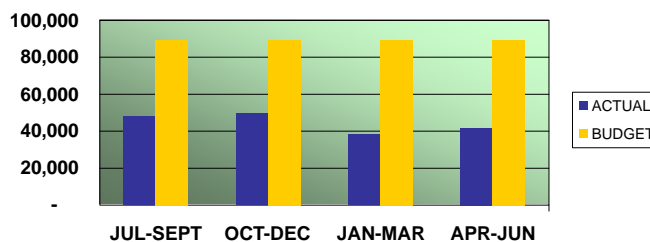
COLD STORAGE 2009/2010



SUNDRY INCOME

QUARTER	ACTUAL	BUDGET
JUL-SEPT	48,180	89,440
OCT-DEC	49,556	89,440
JAN-MAR	38,166	89,440
APR-JUN	41,712	89,440
	177,614	357,760

SUNDRIES 2009/2010



Additional Information

There are currently five (5) market agents who are to ensure the availability of produce on the floor and selling the said produce on behalf of the producer.

- J Francis and Sons
- Garfield Market Agents
- Subropico
- WL Ochse
- Matlosana Market Agency (SMME)

ACTUAL PERFORMANCE ACHIEVED BY THE DEPARTMENT MEASURED AGAINST THE SET TARGET FOR 2009/10

KEY PERFORMANCE AREA (KPA)	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI)	PROJECTED TARGET	ACTUAL ACHIEVEMENT	REASON FOR DEVIATION	REMEDIAL ACTION
Local Economic Development	City Marketing promote the city	Spending on investors conference / relations	R3,200,000 spent by 30 June 2010	R 3,003,420	Saving	N/A
Local Economic Development	City Marketing promote the city	Spending on marketing	R4,009,250 spent by 30 June 2010	R4,006,245	Project Completed	N/A
Local Economic Development	City Marketing promote the city	Spending on the 2010 World Cup	R2,000,000 spent by 30 June 2010	R2,000,000	Project Completed	N/A



MATLOSANA

DIRECTORATE FINANCIAL SERVICES

City of People, ON THE MOVE™

OVERVIEW

This Directorate plans, organizes and directs the financial matters of Council. It is directed by the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and relevant financial reporting guidelines, circulars and regulations.

OPERATING STRUCTURE

The Directorate consist of the:

- Budget Office
- Expenditure Office
- Revenue Office
- Revenue Management
- ICT

DESCRIPTION OF THE ACTIVITY

- Planning, organizing, co-ordinating, monitoring, controlling and leading
- Strategic direction to directorates
- Overall administrative control of directorate
- Discipline in directorate
- Communicates with Councillors and stakeholders

STRATEGIC OBJECTIVES

- Improve working environment and relationships
- Provide financial support to Council, management and municipal manager

KEY ISSUES FOR 2010/2011

- Pre-paid Management Server purchased and installed to enhance service delivery
- Computer replacement programme installed to ensure an effective working environment
- Audit Queries managed to obtain reasonable explanations and to resolve
- Disclaimers reduced to obtain a clean audit report
- Indigent Subsidy for Free Basic Services allocations to comply with legislation
- Creditors Promptly paid to indicate the payment of creditors
- Disaster Recovery Plan approved & implemented to mitigate risks

- Systems integrated to streamline and eliminate duplication
- Software audited & licensed to comply with legislation

SERVICE DELIVERY

DETAILS	2007/08	2008/09	2009/10
Pay points in operation	14	14	14
Rates Clearance certificates received	9,600	2,190	2,831
Rates Clearance certificates pending	0	0	0
Rates Clearance certificates issued	9,600	2,190	2,831

DETAILS	2007/08	2008/09	2009/10
Accounts issued	119,167	117,093	123,595
Accounts paid	54,437	56,622	49,872
Accounts in Arrears	64,730	60,471	73,723
Total Income	R934,638,554	R1,148,674,216	R640,320,267
Total Expenditure	R761,592,826	R1,020,532,061	R1,215,037,093

WATER RESTRICTIONS	2008/09			2009/10		
	RESTRIC-TED	UN-RESTRICTED	NOT UN-RE-STRIC-TED	RE-STRIC-TED	UN-RESTRICTED	NOT UN-RE-STRIC-TED
Klerksdorp	0	0	0	0	0	
Jouberton	7 638	452	7 186	22,572	259	22,313
Alabama	0	0	0	1,560	29	1531
Kanana	9 778	291	9 487	14,829	83	14,746
Stilfontein	2	2	0	0	0	0
Khuma	6 462	181	6 821	9,552	0	9,552
Tigane	2 214	92	2 122	2,945	44	2,941
TOTAL	26 094	1 018	25 076	51,458	498	50,960

ELECTRICITY DISCONNECTIONS	2008/09			2009/10		
	DIS-CONNEC-TED	RE-CONNEC-TED	NOT RE-CONNEC-TED	DIS-CONNEC-TED	RE-CONNEC-TED	NOT RE-CONNECTED
Klerksdorp	7 419	3 452	3 967	9,745	4,905	4,840
Jouberton	21 712	6 642	15 070	21,980	4,755	17,225
Alabama	1 543	617	926	2,311	861	1,450
Orkney	996	418	578	3,441	1,058	2,383
Stilfontein	1 658	643	1 015	1,961	1,404	557
Hartbeesfontein	0	0	0	102	37	65
TOTAL	33 328	11 772	21 556	39,540	13,020	26,520

ACTUAL PERFORMANCE ACHIEVED BY THE DEPARTMENT MEASURED AGAINST THE SET TARGET FOR 2009/10

KEY PERFORMANCE AREA (KPA)	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI)	PROJECTED TARGET	ACTUAL ACHIEVEMENT	REASON FOR DEVIATION	REMEDIAL ACTION
Basic Service Delivery & Infrastructure Development	1 x Fork Lift purchased to improve service delivery	Purchasing a fork lift	R572,620	R443,134	N/A	N/A
Municipal Financial Viability & Management	2010/2011 Budget approved in order to comply with legislation	Approving the final 2010/2011 Budget	31 May 2010	31 May 2010	N/A	N/A
Municipal Financial Viability & Management	2009/2010 Adjustment Budget approved to comply with legislation	Approving the 2009/2010 Adjustment Budget	25 January 2010	28 February 2010	Resignation of Executive Mayor	New Mayor appointed
Municipal Financial Viability & Management	2008/09 Financial Statements submitted to comply with legislation	Submitting the 2008/09 financial statements to the Auditor-General	31 August 2009	31 August 2009	N/A	N/A
Municipal Financial Viability & Management	Indigent Subsidy for Free Basic Services allocations to comply with legislation	Spending on free basic services	R70 million	R70 million	N/A	N/A



MATLOSANA

DIRECTORATE CORPORATE GOVERNANCE

City of People, ON THE MOVE

OVERVIEW

The function of the Division is to ensure smooth administration of Council by providing timeous compilation and delivery of Council agendas and its Committees to Councillors and Directors. Duties also include providing legal advice, check compliance with various legislative and policy frameworks, as well as the management of information and providing communication strategy that will enhance participatory democracy.

The Political Offices operate within the ambit of legislation governing local government and good governance and provide administration, timeous and effective execution of tasks as well as providing an environment conducive for public participation.

Human Resource Management provide and establish a stable and productive workforce for the Human Resource Management provide and establish a stable and productive workforce for the functioning of Council's departments and strive for a cost effective personnel management system and procedures and training to all staff members of Council.

OPERATING STRUCTURE

The Division consists of a Director, three (3) Deputy Directors and seven (7) Assistant Directors who are responsible for the following sections, Administration, Legal Services, Human Resource Management, Corporate Communications and the Political Offices. The division comprises of 146 employees.

The following three political offices exist in Council:-

- Office of the Executive Mayor
- Office of the Speaker
- Office of the Chief Whip

DESCRIPTION OF THE ACTIVITY

- **Administration:** Committee Secretariat, Typing, Printing, Record and Hall Booking Services.
- **Legal Services:** Provide a proper legal service to Council and the Municipal Manager, as well as the Executive Mayor and his Members of Mayoral Committee and other Structures in Council. The provision of proper, timeous and effective land administration service within the parameters of legality
- **Human Resource Management :** Provide Personnel Administration, Labour Relation Services, Training /Capacity Building, Employee Assistance Programme and Occupational Health and Safety services.
- **Corporate Communications:** To ensure press statements, media enquiries, internal newsletters, research media coverage and monitoring graphic designs

- **Office of the Executive Mayor** : To exercises the powers delegated to the Executive Mayor, by the Municipal Council, as set out in Chapter 4 of the Local Government: Municipal Structures Act, 1998.
- **Office of the Speaker** : To preside and maintain order during Council meetings, ensure that Council meets regularly and ensure compliance with the Code of Conduct for Councillors, as set out Schedule 5 to the Local Government: Municipal Structures Act, 1998.
- **Office of the Chief Whip**: To provide effective, transparent, accountable and coherent corporate governance and conduct effective oversight of the affairs of councillors irrespective of political party affiliation.

STRATEGIC OBJECTIVES

- Provide proper record keeping and printing of all documents of Council, as well as cleaning of halls and offices and timeous execution of council resolutions.
- Render legal advice on matters relating to Council and staff as well as draft, rewrite and check compliance with applicable legislation and other legal documents.
- Provide effective and efficient administrative support to directorates regarding personnel issues.
- Ensure sound labour relations by prompt and fair labour relation actions.
- Advance the objectives of Developmental Local Government, and also taking in to account National & Provincial Developmental priorities.
- Provides effect to the Integrated Development Planning Process & Matlosana Agenda 16 .
- Provide political oversight over the financial affairs of the municipality.
- Provide administrative support to the Speaker and training to all councillors and ward committees, as well as the arrangement of ward meetings and ward committee meetings .
- Promote integration, social, political and institutional aspects of councillors by insuring that the Code of Conduct is followed.
- Co-ordinate of political debates for Council.

KEY ISSUES FOR 2010/2011

- Document Management System purchased to automate documents and enhance e-governance
- Old switchboard replaced to ensure a better service delivery
- Clock Card System installed to ensure effective personnel control
- Council Chamber upgraded to upkeep Council's aging infrastructure
- Developed Employee Health Wellness Programme to enhance employee wellness
- OHS Inspections conducted to ensure legal compliance
- Communication Policy developed to create internal and external awareness on corporate communication
- Mayoral Imbizo's conducted to enhance public participation as per legislation
- Community Development Plan developed to determine community satisfaction
- Moral Re-generations workshops conducted as per National legislation

SERVICE DELIVERY

ADMINISTRATION

DETAIL	2007/08		2008/09		2009/10	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalization	11	7	11	12	9	3
Corporate Governance	11	0	11	1	9	0
Transversal Issues	11	0	11	0	9	1
Infrastructure	11	1	11	0	9	0
Public Safety	11	0	11	0	9	0
Community Services	11	0	11	0	9	0
Economic Growth and Market	11	0	11	0	9	0
Housing, Land Affairs and Town - Planning	11	0	11	2	9	1
Sports, Arts & Culture	0	0	0	0	1	1
Land & Rural Development	0	0	0	0	1	0

DETAIL	2007/08	2008/09	2009/10
Section 80 Committee Meetings:			
▶ Anglo Gold	5	5	2
▶ Orkney Vaal	8	3	1
▶ Project Monitoring	12	11	6
▶ Heritage Committee	12	12	6
▶ Oversight Committee	4	13	11
▶ Property Rates	3	7	0
▶ Budget Steering	-	22	9
▶ Audit Committee	-	1	2
▶ ISAGO@N12	-	-	3
▶ Special Investigation Committee	-	-	20
Notices Published	243	23	13
Booking of Halls:			
▶ Mayoral Hall	50	121	83
▶ Arts Hall	100	123	101
▶ Auditorium	70	92	132
▶ Banquet Hal	50	70	64
▶ Ballroom Hall	40	70	80
▶ Johan de Witt Hall	30	54	40
▶ Jouberton Hall	60	0	164
▶ Alabama Hall	40	67	124
▶ Manzilpark Hall	20	57	122
▶ Kanana Hall	10	0	0
▶ Khuma Hall	10	0	0
▶ Tigane Hall	10	0	0
▶ People's hall	-	79	164
▶ Ou Kerk	-	54	27

Typing Services:			
▶ Letters	4,000	446	313
▶ Items/Reports	350	62	37
▶ Sundry	260	100	25

DETAIL	2007/08		2008/09		2009/10	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
Letter	8,000	8,500	3,214	3,100	1,858	1,940
Faxes	900	1 000	730	950	2,175	2,390

LEGAL SERVICES

INFORMATION	2007/08	2008/09	2009/10
Cases against Council	8	14	19
Cases for Council	8	26	58
Cases won	4	15	17
Cases settled	3	8	20
Cases outstanding	10	40	56
Cases referred to the High Court	12	7	11
Total Expenditure	R3,900,000	R4,400,000	R4,947,792

LAND AFFAIRS

	2007/08	2008/09	2009/10
<u>REPORTS SUBMITTED</u>			
<u>ALIENATION</u>			
New applications			
Residential erven	7	21	9
Church erven	17	6	4
Crèche erven	9	4	2
Business erven	15	5	11
Park erven/public open spaces	14	2	2
Other portions of land (e.g. Townlands of Klerksdorp, etc)	13	4	2
Streets	-	-	1
Price Determination	52	4	5
Other (e.g. referred back, amendment of conditions, objections, etc).	0	34	12
<u>LEASING</u>			
New applications	15	1	2
Other (e.g. referred back, amendment of conditions, etc)	1	5	0
TOTAL	16	86	2
<u>LETTERS</u>			
Incoming (all from mail register)	1,221	1,016	780
Outgoing	949	686	538
Notices	27	18	14
Alienation (objections)	7	0	0
Permanent closing (objections)	12	0	0
TOTAL	2,216	1,720	1,332
<u>INSPECTION IN LOCO</u>			
New applications	-	-	7
Leased Land	-	-	6
Disputes	-	-	9
TOTAL	-	-	16

MEETINGS			
Disputes	-	-	7
Complaints	-	-	3
TOTAL	-	-	10

PERSONNEL MANAGEMENT SERVICES

Personnel Administration

DETAIL	2007/08	2008/09	2009/10
Pension	27	33	43
Resignations	59	35	13
Deaths	28	33	18
Other	20	12	0
IOD	70	71	23
Medical Board on process	7	4	16
Medical Board application	5	-	5
Death Claims	28	33	38
Posts in Council	2,728	3,301	3,097
Posts Filled	1,934	1,921	2,706
Posts Vacant	794	1,380	991

Skills Development

DETAIL	2007/08	2008/09	2009/10
Skills Development	131	187	555
Workshops	10	18	5
Meetings	10	11	12
Training:			
➤ Male	172	338	404
➤ Female	79	216	151

Labour Relation Services

DETAIL	2007/08	2008/09	2009/10
New Grievances Filed	13	10	13
Grievances Settled	10	3	4
Suspensions	5	5	7
Appeal settled	4	0	0
DC Hearings at Central Committee	24	16	33
Conciliations/Arbitrations	24	28	15
Dismissals	16	14	5
Disciplinary Hearings Outstanding	9	8	25
Local Labour Forum	6	9	6

Employee Assistance Programmes

DETAIL	2007/08	2008/09	2009/10
New Clients	78	61	26
Old / Follow-up Cases	0	0	0
Closed Cases	62	44	52
Total in Treatment	599	104	75
In-house Counselling	377	285	163
Referrals	6	5	5
Total refused referred to EAP	0	0	1

Occupational Health & Safety

DETAIL	2008/09	2009/10
Number of recorded incidents	26	20
Number of fatal incidents reported	0	1
Number of safety inspections conducted	32	19
Number of construction projects inspected	12	7
Number of safety audits	0	1
Number of public fatal injuries / drowning	1	0

OFFICE OF THE EXECUTIVE MAYOR

DETAIL	2007/08	2008/09	2009/10
Mayoral Committee meetings	11	10	8
Special Mayoral Committee meetings	13	6	21

The following table indicates the Mayoral Events conducted for 2009/10:-

MAYORAL EVENT	DATE
Mandela Day	18 July 2009
Mayoral Sports Tournament	12 July 2009
Heritage Day	August 2009
Women's Month	August 2009
Mayoral Ward Imbizo Kanana extension 13	3 September 2009
Mayoral Ward Imbizo Ward 20	6 September 2009
Mayoral Ward Imbizo's Ward 6	8 September 2009
Mayoral Ward Imbizo Ward 15	13 September 2009
Mayoral Ward Imbizo ward 23	20 September 2009
Cultural Flair	25 September 2009
Matric Excellence Awards	February 2010
Mayoral Imbizo X10	April to May 2010
Africa Day	16 May 2010
Prayer Day	19 May 2010

OFFICE OF THE SPEAKER

DETAIL	2007/08	2008/09	2009/10
Council meetings	11	10	8
Special Council meetings	5	6	8
Rules committee	4	1	0
Ward committee / Mass meetings	320	205 / 189	375

WARD	WARD MEETINGS	MASS MEETINGS	WARD	WARD MEETINGS	MASS MEETINGS
Ward 1	10	2	Ward 17	6	0
Ward 2	10	4	Ward 18	11	8
Ward 3	8	4	Ward 19	3	1
Ward 4	5	2	Ward 20	7	3
Ward 5	8	2	Ward 21	5	7
Ward 6	10	11	Ward 22	11	9
Ward 7	6	2	Ward 23	4	8
Ward 8	11	4	Ward 24	6	11
Ward 9	5	1	Ward 25	11	9
Ward 10	7	3	Ward 26	8	12
Ward 11	1	0	Ward 27	11	7

Ward 12	4	0	Ward 28	4	4
Ward 13	6	0	Ward 29	10	7
Ward 14	5	5	Ward 30	7	0
Ward 15	11	9	Ward 31	8	4
Ward 16	7	10	TOTAL	226	149

ACTUAL PERFORMANCE ACHIEVED BY THE DEPARTMENT MEASURED AGAINST THE SET TARGET FOR 2009/010

KEY PERFORMANCE AREA (KPA)	OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI)	PROJECTED TARGET	ACTUAL ACHIEVEMENT	REASON FOR DEVIATION	REMEDIAL ACTION
Good Governance and Public Participation	Communication Policy developed to create internal and external awareness on corporate communication	Developing a Communication Policy	Approved policy by June 2010	Not approved yet, but on track	Access to information manual, which forms part of Communication policy has been works hoped and other related policies still to be drafted	Approval to be obtained during 2010/11
Municipal Institutional Development and Transformation	Developed Employee Health Wellness Programme to enhance employee wellness	Implementing the Employee Wellness Programme	Approved programme by June 2010	Report submitted to management	Late appointment of service provider	Approval to be obtained during 2010/11
Municipal Institutional Development and Transformation	Social Functioning of Employees enhanced to comply with legislation	Developing and implementing a HIV/Aids Programme	Approved programme by June 2010	Report submitted to management	Late appointment of service provider	Approval to be obtained during 2010/11
Municipal Institutional Development and Transformation	Workplace Skills Plan approved to comply with legislation	Submitting WSP / ATR to LGSETA	30 June 2010	30 June 2010	N/A	N/A
Municipal Institutional Development and Transformation	Workplace Skills Plan approved to comply with legislation	Submitting the 2008/2009 Employment Equity Plan to Department of Labour by	30 September 2009	30 September 2009	N/A	N/A

SERVICE PROVIDERS



MATLOSANA

SERVICE PROVIDERS

*City of People, **ON THE MOVE***

Currently council does not make use of any service provider/s, which renders a municipal service on behalf of Council and therefore no performance can be reported.

Although Eskom renders an installation and maintenance service to the community of Kanana, Khuma, Tigane, rural areas and farmlands which falls within the demarcated municipal area of the City of Matlosana, the agreement is between the National Electricity Regulator (NER) and Eskom, by means of a distribution license. No service level agreement is concluded with Council.

The Department Electrical Engineering is in the process of investigating service level agreements with Eskom and the Department of Minerals

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